

SUBMISSION OF
TRUSTEES OF ELECTRICAL INDUSTRY PENSION FUND OF ALBERTA, TRUSTEES OF
THE ELECTRICAL INDUSTRY INSURANCE BENEFIT TRUST FUND OF ALBERTA,
TRUSTEES OF THE ELECTRICAL INDUSTRY EDUCATION TRUST FUND OF
ALBERTA, AND EMPLOYEE BENEFIT FUNDS ADMINISTRATION LTD
200, 4224 - 93 Street
Edmonton, Alberta
T6E 5P5

TO

STANDING COMMITTEE ON FINANCE

RE:

BILL C-377 - AN ACT TO AMEND THE INCOME TAX ACT
(requirements for labour organizations)

Parties

The Electrical Industry Pension Trust Fund of Alberta, the Electrical Industry Insurance Benefit Trust Fund of Alberta and the Electrical Industry Education Trust Fund of Alberta are jointly trustee (management and union appointed) plans ("the Plans") that have been providing pension, health and welfare and education benefits, respectively, to unionized electrical workers and their families, in Alberta, for approximately forty years. Employee Benefit Funds Administration Ltd. (EBFA) is a not-for-profit corporation, which provides administrative services for the Plans.

Recommendation

It is the submission of the Trustees of the Plans and EBFA that Bill C- 377 is ill-conceived and should not become law. It goes far beyond the stated objective and would impose huge unnecessary costs upon the Plans, while violating privacy rights of members.

Concerns

The broad definition of "labour trust" contained in the bill would include the Plans and EBFA. The bill goes well beyond the purpose of the proposed legislation, which is stated to be to increase the transparency and accountability of labour unions.

The legislation is unnecessary. The people it is to protect, plan members, already have a legal right to obtain financial information. There is no good reason for this information to be available to the general public; indeed this is contrary to the best interests of the members.

Compliance with the requirements of the bill would add significant administrative costs to the Plans at the expense of benefits to members of the Plans. The Plans' auditors estimate that costs could be increased by as much as 20% - 30%. Financial markets have already put significant strain upon the assets of the Plans.

The provisions of the bill would require the Plans to annually file public information returns, which, as the name implies, would then be made available by the Minister to the public, setting out details of all transactions exceeding \$5,000. Each year employee benefit plans enter into many such transactions relating to the investment of plan assets and benefits paid to plan members. We are advised that the disclosure requirements contained in the bill are unprecedented, far surpassing those placed on other agencies, organizations and professional associations.

There are many occasions when pension and health and welfare benefit payments to members of the Plans exceed \$5,000. Public disclosure of the details of such payments, with the names and addresses of recipients, would violate the privacy rights of members of the Plans. The terms of the bill would require public disclosure of death benefits, disability and drug benefits. Personal health information of members would be readily available to the public. We are advised this

would breach federal and provincial privacy legislation.

Public disclosure of details of investment transactions could have a negative impact on the financial management of plan assets.

Publication of payments for legal services could disclose legal issues and strategies which would prejudice the legal position of the Plans and breach solicitor-client privilege.

The cost of enforcing compliance with the legislation would be an unnecessary burden on taxpayers.

Finally, this is obviously not an income tax bill. It is a labour relations bill, directed against unions, which is clear from statements contained on the website of MP Russ Hiebert, who introduced the bill. Leaving the fairness of that aside, the bill has been so broadly drafted, it adversely affects the rights not only of union members, but also non-union and management individuals and their families, who are covered by the Plans.

Recommendation

For all of these reasons, both the management appointed and union appointed Trustees of the Plans believe that Bill C-377 is ill-conceived; it is redundant, costly, inconsistent with existing law, including privacy rights and discriminates against members of the Plans. In our submission, it should not become law.

Respectfully submitted, this 20th day of August, 2012.

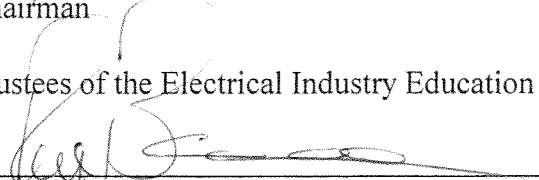
Trustees of The Electrical Industry Pension Trust Fund of Alberta


Chairman


Trustees of The Electrical Industry Insurance Benefit Trust Fund of Alberta


Chairman

Trustees of the Electrical Industry Education Trust Fund of Alberta


Chairman

Employee Benefit Funds Administration Ltd.


Chairman