

Your Name and Address:

The Honourable Dalton McGuinty (Fax - 416.325.3745)

PREMIER OF ONTARIO

Legislative Building, Queen's Park

Toronto, Ontario M7A 1A1

Dear Premier McGuinty:

I am writing to express my deep concern about your government's recent developments regarding the Pension Benefit Guarantee Fund (PBGF).

In the course of announcing a review of the structure and financing of the PBGF, the Budget also states that "... the government will introduce amendments to the *Pension Benefits Act* to clarify that the PBGF is a self-sustaining fund, independent of the government. The amendments would give the government the flexibility to make grants to the PBGF, while also confirming that the government is not required to make either grants or loans. The amendments would also confirm the existing regulatory requirement that the PBGF's liability to guarantee pensions is limited to the assets of the PBGF.

You have stated that the PBGF would not cover retired autoworkers who could be affected by a potential bankruptcy at General Motors or one of the other major automakers.

I am concerned that these developments indicate your Government is backing away from the need to provide a backstop in those situations where pension plan members will be severely affected by the economic failure of their employer. Since its inception, the PBGF has provided absolutely critical support for thousands of retirees, surviving spouses and active plan members. In many cases that support has meant the difference between a sustainable and viable retirement and the devastating alternative of retirees and their dependents living in poverty.

It is quite disturbing to see a Budget announcement which appears to signal a retreat from the purpose and spirit in which the PBGF has operated for almost thirty years, but so singularly fails to respond to the positive recommendations of the Expert Commission.

I call upon you to clearly indicate that the Government of Ontario will ensure that, at the time that they need it, defined benefit pension plan members will be able to count on the support of the safety net that was constructed for just such events.

Yours truly,

cc: Hon. Dwight Duncan, Minister of Finance (Fax 416.325.0374)
Your MPP