

## **Machinists file “Unfair Labour Practice” against Air Canada**

Friday October 14, 2016

For Immediate Release

Toronto, ON – “Air Canada must come clean on the issue of an increased cap on pensionable earnings for our members,” demanded IAM Transportation District 140 President and Directing General Chairperson Fred Hospes.

Hospes was referring to documents filed late this afternoon against Air Canada with the Canada Industrial Relations Board, charging the airline with bad faith bargaining. “Information has come to our attention that makes us believe that Air Canada was not honest with our bargaining team or the arbitrator concerning the health of the Air Canada Pension plan and the financial impact of the requested pension cap increase,” explained Hospes.

During negotiations last year, the IAM asked for a \$10,000 increase to the maximum cap on pensionable earnings. The cap affects 1200 IAM members who are Aircraft Maintenance Engineers at Air Canada. As it stands now, these members are the only employees at Air Canada who can't earn pension benefits on 100% of their regular wages and who will not see increased pension benefits as a result of the wage increases bargained for them in the negotiations.

“Air Canada advised our bargaining team and the mediator that each \$1000 increase would place a funding burden on the plan of \$5 million and a burden on Air Canada of \$500,000 a year in additional contributions and that this wasn't affordable. However in 2016 they have turned around and declared that the plan is 124% funded and that Air Canada is taking a contribution holiday worth \$47 million dollars from making any contributions to the plan for the whole of 2016. We have now concluded that fund can handle this request and the employer doesn't have to open their check book and that Air Canada must have known this in bargaining. As such we have filed an unfair labour practice suit alleging that Air Canada mislead the Union and the Arbitrator and bargained in bad faith”

The IAM is the largest union at Air Canada representing more than eight thousand members.

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