

The Liversidge *FaxLine*

An Executive Dialogue on the Changing Workers' Compensation Scene

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Premier's Labour and Management Advisory Council *An "Accord" is Reached*

On March 10, 1994, the management members of the *Premier's Labour and Management Advisory Council* held a meeting and released the text of an agreement reached between senior representatives of business and labour. The package was personally presented to the Premier the morning of March 10, 1994 in a joint presentation.

So that you have an opportunity to absorb the actual details of the "accord" (as so described in the presentation), I am providing you with the actual text that was released.

I am interested in your response

I will be releasing to all of you shortly my personal views on this agreement - what it means and what it will achieve. I am of the opinion that some will see this agreement as a major step forward, putting the system on the road to recovery. Others will see it as not addressing the critical financial problems facing the system. I value your views and your input. Please write me, fax me, phone me with your comments, views, opinions and whether or not, overall you support the "accord".

In the presentation and the question and answer period that followed the presentation, it was stated that:

- ◆ Much of the room for improvement rests with a new Board of Directors. There is a high expectation that the new Board will accept and deliver a higher standard of conduct, ensuring that the fiduciary interests of the Workers' Compensation Board are paramount.
- ◆ The new formula (the "Friedland formula") for

calculating increases in pensions will serve to reduce the unfunded liability from an expected \$50 billion in 2014 to \$25 - \$30 billion.

- ◆ There was both support and criticisms offered in the question and answer period on the return to work section. Please read this section very carefully. I am very interested in your views here. I have some fairly strong views on this myself and will communicate these to you shortly. In the meeting, a small business organization voiced very open criticism to this point, advising that the small business community will "fight this all the way".
- ◆ The upward adjustment to pre-1990 pensions, a potential \$200 per month adjustment to approximately 36,000 "unemployed workers", (a question was raised by an informed member of the audience that as many as 15,000 of those may in fact be retired) will immediately add \$800 million to the unfunded and will cost an additional \$84 million per year.

Please provide me with your views. I will be arranging a meeting very early next month (if not before depending on the response) to provide a detailed overview of the proposals, the process which will now unfold and the general acceptance or rejection of these proposals.