

November 20, 2024

Honourable Premier Danielle Smith
307 Legislature Building
10800 – 97 Avenue NW
Edmonton, AB T5K 2B6
premier@gov.ab.ca

RE: AIMCO BOARD SEATS AND OPTIONALITY FOR PENSION PLANS

Dear Premier,

Like millions of our fellow Albertans, we have been watching your government's recent changes at AIMCo with growing concern. We are writing today with what we have deliberately chosen to frame as a demand, rather than a request, or a plea. Put very simply, we demand seats on the new AIMCo board.

As most Albertans have learned over the past ten days, AIMCo is responsible for managing \$169 billion in investments. About \$25 billion of that figure is money that has been saved in the Heritage Fund. The rest – more than \$140 billion – is money that is being managed for public sector pension plans, including the three biggest plans: the Local Authorities Pension Plan (LAPP); the Public Service Pension Plan (PSPP); and the Alberta Teacher Retirement Fund (ATRF).

This is not your government's money. It is the retirement savings of nearly 500,000 working and retired Albertans. These are our members. And on their behalf, we demand more of a say in how their money is managed.

Most Albertans would be shocked to learn that neither the pension plans, who pay out pension benefits, nor the unions who represent pension plan members have seats on the AIMCo board. Under legislation passed by your government (the infamous Bill 22), Alberta's largest provincial public sector pension plans have been compelled to use AIMCo as their investment manager, yet they have no seats on the AIMCo board.

In fact, just days ago, your government (once again) rejected requests from the big pensions plans for representation on the AIMCo board. And your government has never seriously contemplated giving the workers who pay into the plan a seat at the table.

From our perspective, this amounts to a form of "taxation without representation." Can you not see the irony? On one hand, you criticize the federal government for acting arbitrarily without consulting Albertans. On the other hand, when it comes to AIMCo and

pensions, it is you and your government who are acting arbitrarily without consulting Albertans. How can you defend this obvious inconsistency?

In conclusion, we reiterate our call for union seats on the AIMCo board. Union representation on the board is needed because few Albertans have confidence that your government or its appointees will truly defend the interests of active or retired pension plan members.

We also call for seats on the board for the pension plans whose assets are being invested by AIMCo. They are AIMCo's main clients. It is completely unacceptable that they have so little control over the funds that hundreds of thousands of Alberta workers and retirees have entrusted them to manage.

Finally, we demand a return to "optionality," which was taken from us with Bill 22. Our pension plans should have the right to choose who manages their investments. They should have the right to leave AIMCo and find other investment managers if they are not satisfied with AIMCo's performance or the direction being set by its board or its management team.

It's time to stop holding Alberta workers and retirees hostage. As a politician, you have often extolled the virtues of choice and competition. Yet, your government is denying choice and prohibiting competition with the way it has chosen to arbitrarily govern pensions in this province. This has to change.

If you announce a new board without worker or pension plan representation, and without optionality, we will have no choice but to begin organizing workers and retirees to defend their retirement savings. We hope the government listens to the hundreds of thousands of Albertans who are concerned about their hard-earned pensions.

We look forward to your response to this letter and we stand ready to discuss potential labour and pension plan candidates with you.

Sincerely,

Gil McGowan, President, Alberta Federation of Labour (AFL)
Guy Smith, President, Alberta Union of Public Employees (AUPE)
Heather Smith, President, United Nurses of Alberta (UNA)
Jason Schilling, President, Alberta Teachers Association (ATA)
Rory Gill, President, Canadian Union of Public Employees (CUPE), Alberta Division
Mike Parker, President, Health Science Association of Alberta (HSAA)
Quinn Benders, President, Non-Academic Staff Association (NASA)
Lee Easton, President, Council of Alberta Faculty Associations (CAFA)
Shauna MacDonald, President, Alberta Colleges and Institutes Faculties Association (ACIFA)