



To: Honourable Travis Toews
President of Treasury Board and Minister of Finance

November 8, 2019

Members of Executive Council
Executive Branch
228 Legislature Building
10800-97 Avenue
Edmonton, AB T5K 2B6

From: Lorna McIlroy
President, Alberta Retired Teachers' Association (ARTA)

Re: Concerns over the proposed ATRF Investment Management Change

Delivered by email and registered letter

Dear Minister Toews:

ARTA has received many inquiries regarding the proposed legislative amendment to make Alberta Investment Management Corporation (AIMCo) the exclusive investment manager of the Alberta Teachers' Retirement Fund (ATRF). This letter is to express our great concern over the proposed change. The ATRF Board was established in 1939, and has operated very prudently and efficiently for 80 years. The move by the current government is completely unsettling and unnecessary.

During the recent provincial election campaign, at no point did your party mention taking retirement funds from ATRF and reallocating them for management by AIMCo. This information should have been shared with voters as a part of the equation in the government's plan to reduce the deficit.

Prior to any legislative move on this issue, the following questions will need to be answered by the Government of Alberta:

1. Will the mandate of AIMCo in investing teachers' pension funds be focused exclusively on ensuring the security and sustainability of the pension plan into the future, or will AIMCo be subject to direction from government to promote government's preferred economic development strategies?
2. Will the government cover the costs associated with this transition or will this be left to the ATRF and teachers to absorb?
3. What strategies and steps will AIMCo undertake to build confidence and support among its clients?

4. Currently, if an investment manager does not perform, the ATRF can fire them and move the funds to another manager. As AIMCo will be the exclusive investment manager for ATRF, what recourse will the ATRF board have if it is unsatisfied with AIMCo's performance?
5. The government chose not to provide any notice of this significant change to the co-sponsor of the plan. What assurances do we have that the government will work cooperatively with ATRF, ARTA and the ATA to ensure the financial wellbeing and welfare of active and retired teachers in the future?

The language of this budget shows a complete disregard for the teachers who are currently working and making contributions to this fund, and to the pensioners who created this fund and are reliant on it for their future existence.

It is concerning to us that the ability to report specifically on the Alberta Teachers' Retirement funds will be lost in the pool of funds being managed by AIMCo. We do not accept the government's reasons for this change and we most certainly do not feel it is the right move for the Teachers' pension fund.

Lastly, ATRF has a stellar track record. In your platform, you promised to get "Alberta Back to Work"; this most certainly will result in job loss for some of the dedicated staff at ATRF and beyond.

We strongly urge you and your colleagues to abandon this move. As retired teachers in Alberta, we are perplexed as to why you would want to disrupt something that has been working so well over the last eight decades. Your government has caused us to be very concerned about our future. The Alberta Retired Teachers' Association and its 24,000 members request a reversal of this action to gain even a small measure of our trust.

We would be happy to meet with you regarding the above issue. This is one matter where we feel a canned response to us will not suffice. Many of our members voted for your party and now want to hear your explanation and justification for the above.

Yours truly,



Lorna McIlroy
President, Alberta Retired Teachers' Association

cc:

Jason Schilling, President ATA
Rod Matheson, CEO, ATRF
Daniel Mulloy, CEO, ARTA
Dennis Theobald, Executive Secretary, ATA
Honourable Jason Kenney, Alberta Premier
Honourable Josephine Pon, Minister of Seniors and Housing
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