

Unifor head says pension trade-off needed to secure GM deal

By Allison Martell

September 20, 2016 – *The Globe and Mail / Reuters*

Giving up a more secure pension scheme to reach a tentative labor deal with General Motors Co was a worthwhile trade-off because workers will benefit from new investment in Canadian plants, the head of the Canadian autoworkers union said on Tuesday.

The company and the union, Unifor, announced the deal early on Tuesday, averting a strike that would have shut some of the automaker's Canadian manufacturing facilities.

Unifor said the deal will ensure "hundreds of millions" in investment and prevent the closure of GM's Oshawa assembly plant, bring some engine assembly from Mexico to GM's St. Catharines, Ontario facility. Union members will vote on the deal on Sunday.

The union made a concession on pensions for new workers, agreeing to a pure defined contribution plan, the first such plan under the master agreement that covers most assembly workers at GM, Ford Motor Co and Fiat Chrysler. Veteran employees have defined benefit (DB) pensions. Those hired since 2012 have a hybrid plan.

"Was it worth it to get new employees the opportunity to get jobs at our wages, at our security level and give up the DB plan for new starts? The answer is yes," Unifor National President Jerry Dias said in a CBC interview.

GM Canada said in a statement the agreement would allow "significant new product,

technology and process investments" in Oshawa and at the company's St Catharines powertrain plant.

"We will be working with government on potential support," the company said.

Earlier on Tuesday, Dias said the agreement would ensure Oshawa hires workers in the short and long term, even as the scheduled closure of one of the plant's two assembly lines goes ahead as planned in 2017.

Dias did not say what vehicle model or models would be built in Oshawa, but said the plant would become capable of producing both cars and trucks. It now builds cars.

He said some engine production would shift from Mexico to St. Catharines, the first time he can remember product moving from Mexico to Canada.

Under the union's practice of pattern bargaining, the deal with GM sets a pattern that Ford and Fiat Chrysler will be expected to follow.

Dias said he expected to select a second target company within 24 hours.

A four-year contract covering some 20,000 Canadian autoworkers at the three automakers expired on Sept. 19. Only GM workers were in a legal strike position on Tuesday.