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FINANCE

Disability Insurance and Pensions for Nortel Employees

Question by:

The Honourable Claudette Tardif

Tuesday, November 16, 2010

THE SENATE

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DISABILITY INSURANCE AND PENSIONS FOR NORTTEL EMPLOYEES

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I recently received a touching and heartfelt letter from Ms. Jackie Bodie of Calgary. Ms. Bodie, a 41-year-old mother of two young boys, started paying for disability insurance through Nortel 18 years ago. She wrote:

. . . my intention — for paying for disability insurance — was to ensure that I would have the means to provide the basic necessities of life for myself and my family if I could no longer work for a living. In my mind, LTD insurance was a contingency plan that I hoped I'd never have to fall back on.

Unfortunately, Ms. Bodie was diagnosed with Parkinson's disease at the age of 33, and in 2005, at the age of 36, went on long-term disability. Her long-term disability income and benefit plan offered by Nortel expires on December 31 of this year.

Time is running out. Only 45 days remain to take the necessary action. What is the government's plan to ensure that Nortel's long-term disability beneficiaries, like Ms. Bodie, have the funds necessary for the continuation of their benefits beyond December 31?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, of course, the issue is complex and of concern to our government, as it is to all of us. We realize there are no easy answers with regard to this issue. Several bills are before Parliament. One is before the Senate. I am told by my colleagues that one of the bills that is before the Senate will receive careful consideration within the next few weeks.

[Translation]

Senator Tardif: Honourable senators, Ms. Bodie explains that, after December 31, 2010, she and her spouse will have only one income to cover the cost of her medication and support their young family.

Will the government undertake to correct this terrible situation whereby more than 400 persons will lose their disability benefits?

[English]

Senator LeBreton: Honourable senators, the issue is a difficult one, for which, as we all know, there are no easy answers. The government is working with its provincial and territorial partners on pension reform issues, trying to deal with this serious matter. I cannot offer any further comment at the present time, except to say, as honourable senators well know, most of these pensions fall within provincial jurisdiction. Having said that, the federal government is working with the provinces and territories to try to address some of the issues facing pensioners at the moment.