



FOR IMMEDIATE RELEASE

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COUNCIL OF UNIONS COME TO AN AGREEMENT SUPPORTED BY AIR CANADA WHICH STRENGTHENS RETIREMENT INCOMES FOR WORKERS FOR THE LONG TERM

TORONTO – Unions representing more than 20,000 Air Canada employees applaud today’s announcement on the finalization of an agreement which will see more certainty and more money in the pockets of the thousands of current and future retired employees who are part of the company’s defined benefit pension plans.

This agreement includes the unions’ long-sought mechanism to provide a series of lump-sum payments that would partially offset cost of living increases that affect worker pensions.

In 2009 and facing insolvency, Air Canada was granted relief from solvency funding which would have otherwise required onerous special payments totaling billions of dollars. As part of this arrangement, a significant amount of Air Canada stock was put in a Share Trust to be accessed by the unions at a later date for the single purpose of assisting with solvency funding in one or more of the plans.

On October 26, 2009, under terms of the agreement, Air Canada issued more than 17 million or 15% of its Class B common voting shares to a joint Share Trust with the Air Canada Unions (the Unitholders) as sole beneficiaries.

Since 2009, this block of shares has been held in a restricted use, single joint trust account, governed by the multi-party 2009 Share Trust Agreement. As a result of subsequent public offerings, these shares have been diluted and now represent approximately 5% of all outstanding Air Canada stock.

Since 2015, the unions who represent Air Canada workers, through the Council of Unions, have been discussing and exploring options as to how to best utilize and distribute the value held within the Share Trust for the benefit of current and future pensioners – many of whom endured significant uncertainty and distress during the previous pension insolvency.

Today, following extensive negotiations between the Council of Unions and Air Canada, the leadership of each of these union groups are proud to announce that an agreement has been struck that will wind down the Share Trust over a period of time in order to improve the certainty and quality of life for thousands of Air Canada employees and pensioners.

Air Canada Pilots Association CEO, Robert Giguere, lauded the agreement, saying:

“ACPA and our pension experts have invested countless hours working alongside our fellow union leaders to ensure these long-held shares can be deployed for the benefit of our current and future retired members and their families. This is a good day for workers in an industry that was nearly devastated by the 2008 financial crisis, and more recently by the global pandemic.”

CALDA Council Chairman Rob King said:

"I am extremely pleased for the retirees and future retirees that we have reached this point. It has been a truly collaborative process with all the unions, and we look forward to final approvals so that this can proceed."

Wesley Lesosky, President, Air Canada Component of CUPE said:

"Coming out of the chaos and uncertainty of the pandemic, our members deserve some good news. Thanks to the hard work of our fellow unions and our airline, we have an agreement that will allow current and future generations of retirees to bank on a more secure and more stable retirement at the end of their career."

IAMAW District 140 President & Directing General Chairperson Dave Flowers said:

"Workers' pensions and retirement security is a core value of the IAMAW. This breakthrough agreement between the Council of Unions and Air Canada represents the tangible proof of that commitment. Solidarity of vision, purpose and action has allowed us to achieve this very positive outcome for all of our members."

Unifor National President Jerry Dias said:

"This is a win for workers, and a win for Air Canada. By working together, we saved the company in a previous economic crisis, and have now finally ensured that our workers are able to get what they are entitled to. This day has been a long time coming."

This arrangement will not be finalized until it has received required regulatory approvals which are now being sought. The employees and pensioners of Air Canada look forward to receiving the needed final approvals on this matter.

About the Council of Unions

The Council of Unions was established to represent the interests of the unionized employees of Air Canada during a turbulent time that included pension insolvency. Leaders from each of Air Canada's unions – the Air Canada Pilots Association (ACPA); Canadian Airline Dispatchers Association (CALDA); Canadian Union of Public Employees (CUPE) – Air Canada Component; the International Association of Machinists and Aerospace workers (IAMAW); and Unifor – meet to discuss issues of common concern. Together, our Unions represent more than 20,000 unionized employees of Air Canada.

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