

1 Q. What steps would Hydro need to take to close entry to its defined benefit pension
2 plan to new hires?
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5 A. As indicated in CA-NLH-236, Hydro is legislated by the Government of
6 Newfoundland and Labrador as an agent of the Crown, to participate in the Public
7 Service Pension Plan. Hydro is bound by the legislative requirements under Section
8 34 of the current *Public Service Pension Plan (PSPP) Act* (see PSPP Act 1991, Chapter
9 12 and NL Regulation 11/85) to participate in the PSPP. It would require a
10 legislative amendment to the PSPP Act to exclude new hires of Hydro from the
11 PSPP.
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13 Hydro has no intention of pursuing a change in legislation for the purpose of closing
14 entry to the defined benefit pension plan to new hires. Hydro's collective
15 agreements provide entitlement to pension benefits in accordance with the PSPP
16 Act under Article 25 - Pension (Operations Unit) and Article 18 - Pension (Office
17 Workers' Unit). Hydro views its defined benefit pension plan as a part of a
18 competitive total compensation package that contributes to Hydro's ability to
19 attract and retain talented employees.