

News

B.C. Rail faces retiree class-action lawsuit over pension plan surplus

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VANCOUVER (CP) - A class-action lawsuit has been filed against B.C. Rail alleging it misused a pension fund surplus when it changed the plan in 1998 to take a contribution holiday.

The lawsuit was filed by Fred Ruddell, a retired member of the B.C. Rail pension plan and the retiree representative on the plan's advisory committee. The statement of claim filed in the Supreme Court of B.C. on Friday says that according to the 2002 annual report, the plan still had a surplus of \$151.7 million.

Ruddell claims that in response to the surplus, B.C. Rail amended the pension plan in 1998 to suspend its contributions and those of active workers, but it did not provide financial benefits to retirees.

Ruddell is seeking a reallocation of the surplus "impartially and even-handedly among all plan members by granting the class members a proportionate share of the surplus in accordance with the actuarial liabilities which they represent."

Ruddell's lawyer, David Klein, stated: "The decision to suspend contributions to the pension plan must confer a benefit on all members regardless of their category. After all, the contributions of the retired and deferred members were instrumental in the creation of the surplus."

B.C. Rail is a subsidiary of the British Columbia Railway Corp., a provincial Crown corporation.