

Navistar information

## **Update**

December 21, 2015

On December 21 2015, after taking great care in its deliberations, the Ontario Court of Appeal dismissed Navistar's motion for permission to appeal the July 3, 2015 decision of the Ontario Divisional Court upholding the ruling of the Financial Services Tribunal of Ontario (the FST) on the issues arising from the partial windup of the Navistar DB pension plan.

As a reminder, on July 11, 2014, the FST issued a decision, supporting in full the position of the union with respect to the partial windup of the DB pension plan, and supported the union's position on all outstanding issues – including member entitlements - related to the partial wind up. This dismissal by the Court of Appeal will now trigger the issuance of an Order from the Superintendent of Financial Services (the Superintendent) that will order Navistar to begin the process of partially winding up the DB pension plan, including preparing and filing a partial windup report with the Financial Services Commission of Ontario (FSCO).

- The partial wind up report must be prepared in accordance with the terms of the Order issued by the Superintendent.
- It is normal in these circumstances for the Superintendent to include a deadline - typically 60 days from the date of the Order - for Navistar to file the partial windup report.
- Failure by Navistar to file the report can result in FSCO prosecuting Navistar for failure to comply.

The Union will continue to support former members' during this process, including providing any assistance it can to the FSCO in order to bring this process to a close as quickly as possible. The union has, and will continue, to make its resources available to the FSCO and will review the partial windup report once available and provide feedback to the FSCO and Navistar on the report. Once the report has been approved and a partial windup ordered by the Superintendent, settlement of member's pension entitlements will begin.

### **Severance Pay**

The matter of severance pay, including entitlement of workers who will receive statutory improvements under the Pensions Benefit Act as a result of the partial wind up, and related closure issues, remains outstanding. This favourable ruling from the Court on the issue of pension plan wind up does not resolve the issue of severance pay. The corporation has consistently refused to address, in a reasonable way, the issue of severance entitlement and severance pay. The corporation remains unwilling to provide a fair and equitable closure agreement.