

Nortel's disabled workers fight pension deal

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The Nortel pension and benefits deal is subject to court approval on March 3. (CBC)

Nortel employees on long-term disability leave say they will fight a deal reached between the failing company, themselves and Nortel pensioners.

Some disabled employees, including Jennifer Holley and Arlene Plante, are going to Toronto to oppose court approval of the deal, which is scheduled for March 3.

Plante said she's fighting the agreement announced on Feb. 8 because it doesn't offer any protection beyond the end of 2010.

In addition, it requires employees and former employees to give up their right to sue Nortel Networks Corp. and oppose the payment of \$92 million in bonuses to Nortel executives. Nortel asked U.S. and Canadian courts to approve the bonuses last week.

Plante said the payments are obscene. The company maintains that it needs to pay the bonuses in order to hold on to key employees until necessary work is complete.

"The agreement is immoral," said Diane Urquhart, an independent financial analyst who has been helping the disabled employees.

Urquhart said that money would go far if it were used instead to fund the disabled workers' health and welfare trust. However, she said, the law does not require Nortel to provide for the replacement income and health benefits of the disabled under the current circumstances.

Pensioners satisfied

The 400 employees on disability are in a difficult position because the 12,600 pensioners are largely satisfied with the deal.

Plante admitted that the minority of employees on disability are also poorly equipped for their fight.

"We're not lawyers," Plante said. "We don't know how to do things like affidavits and motions."

Holley expressed frustration about the position disabled employees are in.

"We've got to kill ourselves trying to get this stuff together that we have no experience with," she said.

Nortel filed for bankruptcy protection in January 2009 and since then, most of the company has been sold off.

On Feb. 8, the company announced it had reached a deal with its pensioners and its employees on disability leave, who feared they would lose their benefits when the company is finally dissolved. The agreement includes a commitment from the company to pay long-term disability benefits and pensioners' health benefits until the end of 2010.

In addition, workers who were laid off without severance will each get a \$3,000 lump-sum payment. The company will continue to administer its pension plans until the end of September, and then a new administrator will be appointed.

The pensioners, who are facing a \$2.5-billion shortfall in their pension plan, are also partially protected by the Ontario government. Finance Minister Dwight Duncan announced Feb. 7 that the first \$1,000 of their monthly pension payments will be guaranteed under an emergency pension insurance fund.