

ASSOCIATION OF DALHOUSIE RETIREES AND PENSIONERS
QUARTERLY NEWSLETTER
VOLUME 1, NUMBER 3/4 WINTER/SPRING 2003

Plan to attend the CURAC Conference on May 26 - don't miss it!

Location: Building B, Sexton Campus, Dalhousie University

Conference Programme (provisional)

8-8.55 A.M. Registration

9-9.05 A.M. Welcome: Tarun Ghose and John Dirks

9.05-10 A.M. Constitution and decision on incorporation: Peter Russell

Election of Executive Committee : Albert Tucker

10-10.15 A.M. Coffee

10.15-12 Noon. Reports from Regional University Organizations &
Discussion

12 Noon-12.15 P.M. ARHOE : Organization of Retirees from American
Institutions of Higher Secondary Education : William Dando

12.30-1.55 P.M. Lunch - Luncheon Speech : From College to University:
Dalhousie's struggle for light and air. Peter Waite

2-2.30 P.M. The Challenge Facing Canadian Higher Education. T. Traves,
President, Dalhousie University

2.35-3.45 P.M. Health Care for Seniors. Chair: Richard Goldbloom,
Chancellor, Dalhousie University. Panellists: Ken Rockwood, Jeff
Dayton-Johnson, and Howard Fink
Discussion and Summary by Richard Goldbloom

4-5.30 P.M. Aging Canadian Society : 2003 and beyond. Chair: John
Dirks. Panellists: William Dando, Janice Keefe and Deborah Lee

6-7:30 P.M. Wine and Cheese

The registration fee for the entire conference, including lunch is \$40.00

The registration fee for the afternoon session only is \$15.00 for
non-members and \$10.00 for ADRP Members. All registrants are invited to
the Wine and Cheese Party A copy of the Registration form and mailing
instructions are at the end of this Newsletter.

A FIRST IN CANADA: LET US MAKE IT A SUCCESS, Tarun Ghose, President

The "First" I am referring to is a new Canadian national organization of
university retirees i.e. College and University Retirees' Association of
Canada, abbreviated as CURAC in English or ARUCC in French. ARUCC stands

for Association des Retraite(e)s des Universites et Colleges du Canada. The Founding Conference of CURAC/ARUCC will be hosted by ADRP and held on the 26th of May, 2003 in Building B, Sexton Campus, Dalhousie University.

To go back to the beginning, on the 31st of May, 2002, about 90 registrants representing 19 Canadian University Retirees' Organizations met in Toronto to discuss the feasibility of forming a national organization of university retirees. Alasdair Sinclair (Chairperson of ADRP's Liaison Committee) and myself were invited to attend this meeting. It was unanimously agreed that a federation of college and retirees' associations in Canada be formed and that the inaugural conference be held in Halifax in 2003. A Steering Committee chaired by Dr. John Dirks, University of Toronto, was established to draw up a provisional constitution for this organization and to look into other matters concerning its formation.

After the "usual" discussion (via e-mail) befitting university-associated organizations, the proposed constitution of CURAC is now available for viewing on the CURAC website. This can be easily accessed via our ADRP site. To-date, 15 Canadian university retirees' organizations, including ADRP, have agreed to become Founding Members of CURAC.

The question may be asked as to why we need CURAC at all. The detailed purposes of CURAC are delineated in the organization's proposed constitution. In brief, we need an organization like CURAC in order to keep in touch with fraternal organizations so that we can learn from each other's experiences. We need CURAC to create and maintain a central depository of relevant information and to act as an umbrella watchdog for encouraging and preserving best practices between a given University and its retirees. A national organization of University retirees is also essential for identifying issues which concern university retirees nationally and regionally (e.g. laws governing university pensions and pension funds) and for building support for favourably resolving issues accruing from the application of such national and regional laws.

Moreover, in a decade or so, seniors will constitute the largest age group in Canada's population. This will not only need a reconfiguration of the nation's health care and social benefits policies but may also require university retirees to initiate and join discussions concerning other pressing social matters. CURAC may also provide novel opportunities for retirees' personal development such as mentoring and teaching in less developed and war-ravaged countries.

Finally, CURAC may initiate the discussion regarding whether mandated retirement at 65 is really relevant when people live longer and remain physically and mentally capable especially when there is a shortage of qualified and experienced humanpower.

The success of CURAC's inauguration depends upon you. You can help by

registering for the Conference and by donating some time for volunteer work during the Conference.

PENSION MATTERS, Paul Huber, Vice-President

Investment Performance of the Dalhousie Pension Funds

Most Dalhousie retirees are aware that financial markets delivered poor returns for several quarters and that pension funds across Canada are experiencing deficits. But many do not realize just how shockingly poor those results have been. If we consider the three-year period from 1 April 2000 through 31 March 2003, the Toronto stock market lost 11.1% per year compounded, the US market (S&P 500) 16% per year, and EAFE (Europe, Asia and the Far East) 19%. Only bond markets rose an average of 7.6% annual gain compounded. Over this same period, the Dalhousie Pension Trust Fund (PTF) lost 2.1% annually on its investments before administrative costs and the Retirees' Trust Fund (RTF) 1.6% annually. These are remarkably good relative performances, given the mix of assets held by the funds over the past fifteen years: 60 percent in equities and 40 percent in fixed income securities.

But good performance relative to market averages does not put bread on the table. Absolute returns are far below the actuarial assumptions (7 percent for the PTF, 4.55 percent for the RTF) and they have gotten worse in the last nine months. Over this period, the PTF lost about six percent and the RTF about five percent.

Dalhousie Pension Plan Deficits and Surpluses

Dalhousie has an unusual pension structure in that it has two separate funds within the same plan. The PTF holds the funds of employees (and former employees) who have not yet retired; the RTF holds the funds of retirees who have not necessarily commenced receiving their pension payments. At retirement, money is transferred from the PTF to the RTF to fund the defined pension entitlement to which the retiree is entitled. (Some retiring persons opt at this point to take this entitlement out of the Dalhousie Pension Plan.) As at 30 June 2002 (pension plan fiscal year-end), the PTF had an actuarial deficit of about \$ 38.5 million and the RTF an actuarial surplus of about \$21.5 million. This meant that overall the Dalhousie Pension Plan had an actuarial deficit of \$17 million.

One must approach these number with caution, however, because they involve an actuarial smoothing of Plan assets which effectively overstates them quite dramatically. If assets are measured at market values, the PTF deficit would have been \$68 million and the RTF surplus only \$10 million, for an overall deficit of \$58 million. The liabilities of the PTF are approximately \$402 million and those of the RTF about \$145 million, so the PTF deficit is about 17 percent and the RTF surplus about 7 percent of

each fund's respective liabilities. The poor absolute performance of the two funds during the first three-quarters of the current fiscal period suggests that the PFT deficit would have increased since last June by about \$50 million and the surplus in the RTF would have turned into a tiny deficit as at the end of March 2003.

Ex Gratia Payments to Pre-1982 Retirees

These payments continued in 2003 according to the previously agreed formula.

Implications for Plan Funding

Nova Scotia's Pension Benefits Act requires pension plan sponsors (the Board of Governors at Dalhousie) to amortize plan deficits calculated on a going-concern basis within an fifteen year period. In effect, the legislation requires the plan sponsor to guarantee the funding of your pension. This means that the Board now has to make substantial additional contributions to the Plan. It is my understanding that these amortization payments have already started. The amount of these overmatching contributions will be about 3.5 percent of payroll for at least two or three years. This marks the first time in nearly twenty years that the BOG has been required to make overmatching contributions to the Pension Plan.

Some people suggest that Dalhousie should not have taken pension holidays during the last decade and that the University Administration and Dalhousie's unions caused the current pension funding problem. This is uninformed nonsense. Federal income tax law does not permit pension plans to have surpluses that exceed 10 percent of their liabilities. Thirty months ago in the last stages of Dalhousie's contribution holiday the surplus was 9.5 percent of Plan liabilities. Without the pension contribution holiday, Dalhousie would have dramatically broken the law, which might have resulted in the CCRA imposing extremely onerous penalties.

Implications for Retirees' Pensions

There are several implications for members of the ADRP:

First, difficulties are being experienced by many defined pension plans, and recovery obviously depends in part on the future state of financial markets. Although valuation deficit(s) in the Dalhousie Pension Plan may continue for some time, I am confident in its soundness and long-term viability. There is no reason for apprehension regarding the pension that you currently are receiving.

Second, the likelihood of any indexation next January is very low and the prospect of making good the missing indexation (about 1 percent) from this

past January is currently remote.

Third, if you have deferred the commencement of your pension, you should definitely start it flowing by next January at the latest; in fact, you probably should start it sooner.

KEEPING IN TOUCH - contributions from Members, submitted by Dorothy Moore, Chair, Keeping in Touch Sub-Committee

Rosemary MacKenzie travelled to England and Scotland in 2002 to visit family and friends in North Curry, Chard, Gairloch, and Edinburgh. She visited many wonderful gardens including Margery Fish's garden in East Lambrook, Somerset, the Royal Horticultural Society's garden at Rosemoor in Devon, and the Branklin garden in Perth.

Dorothy Moore. In the late 1990's Dorothy Moore travelled to the Philippines on Aeroplan points, to meet her now-grown-up foster child and her family, and to stay for a week in their home. Estrellita was the only one in her large family to finish school, and she married into the wealthiest family in her village. They came to fetch Dorothy from Manila in a duplicate of the Honda Civic she had left at home!

Diane Prosser. My life is pleasant, relatively uneventful but fun with a big circle of friends and lots of interests. My three children (two married, no grandchildren) are far away but we keep in regular touch - e-mail is a boon. The big change in my life came six years before I retired when I lost my husband of 33 years. In that case I had a huge support network at Dal, both in my workplace as Admin Officer in the School of Health and Human Performance, and in the wider Dal community.

Bob Rodger. Bob and Margaret Rodger were married at Greyfriars Kirk on June 20, 1953, so they hope to celebrate their fifty, happy years together on June 20, 2003 with a meeting of family and friends here in New Scotland.

The Keeping in Touch Sub-Committee would like to hear from Members. You are invited to send a brief announcement of any item in your life since you retired, which you would like to have known to your former colleagues, with some of whom you may have lost contact. Items in your life could concern family or home changes, an award or appointment, a new job or task, a special occasion or anniversary, etc.! You might wish to add your telephone number. Notify Dorothy Moore, Chair of the Keeping in Touch Sub-Committee by e-mail: dorothy.moore@dal.ca, or by phone: 477-7398.

BENEFITS COMMITTEE REPORT, Philip Welch, Chair of the Benefits Committee

Health Benefits continue to be a major concern for Members of this Association.

Dental Insurance. On the basis of investigation to-date, this seems to be a non-starter. Coverage is essentially on the basis of money in /money out, therefore not really insurance, and is dependent on the participation of all members of the group at risk.

Drug Coverage. We have been unsuccessful to-date in finding a useful alternative to NS Seniors' Pharmacare Plan, though the search continues.

Travel Health Insurance. Coverage for out-of-Canada Emergency Health Care is widely available. Virtually all exclude those with problems due to "pre-existing conditions" which have required significant attention (including a prescription change) in the months prior to departure.

3 months under Atlantic Blue Cross if under 60 years, 6 months if over 60
1-5 years under Thomas Cook policy 3-12 months under Medipac International

We have explored the possibility that Blue Cross might offer Travel Health Insurance, excluding pre-existing conditions, for those retirees who have maintained their Dalhousie Blue Cross membership. Blue Cross is prepared to do so if 75 percent of this group agree, and Blue Cross will require that all participants in Dalhousie Blue Cross pay the premium (\$5.70/month single, \$11.43 for family).

The number of responses to the questionnaire in the Autumn 2002 Newsletter was rather disappointing, though two-thirds were in favour. I hope Dal will explore this further with all retired Blue Cross participants.

My recommendations in these areas are:

1. Continue Dalhousie Blue Cross coverage, if you already have it. Their long-term nursing care/nursing home coverage cannot be beaten.
2. Take out some form of health insurance if you travel. Compare rates from CARP (1-888-239-2444), Atlantic Blue Cross, and MEDOC (453-9527). MEDOC is now available to ADRP and they have offered 5 percent discount to ADRP Members.
3. Individuals who wish to explore Drug/Dental coverage may try CARP (1-877-551-5566)
4. If interested in long-term care coverage (if NOT already in Blue Cross), try CARP (1-800-809-3055)

General Benefits Update. We have set up a Task Force to explore the various benefits currently available to the various Dal employee groups, to identify those of potential interest to retirees/pensioners. We will then see which are worth ADRP's pursuing.

ADRP Representation on the University Pension Advisory Committee (PAC)

Recent Provincial legislation (BILL 9) has required representation by a pensioner on a pension advisory committee for private plans. While the Committee described under Bill 9 differs significantly from the PAC, the ADRP has been offered a place and voice on the PAC. I feel this is an important step forward, which I hope will be approved by the ADRP. (Note that the ADRP now has a representative on the Trustees for the Retirees Trust Fund, which handles investments.)

Any ADRP Member with an interest in being involved in the work of the Benefits Committee should contact Philip Welch at welchjp@auracom.com, or phone 826-7428.

E-MAIL ADDRESSES

We have e-mail addresses for less than half the ADRP Membership. To cut the cost of postage we would like to distribute this Newsletter to as many Members as possible by e-mail. If you have an e-mail address please let us know at adrp@dal.ca.

EDITORIAL POLICY

The ADRP intends to publish the Newsletter every three months. It is hoped the Newsletter will serve the following purposes:

To provide pertinent information;

To provide a forum for the free exchange of views on issues relevant to our Membership;

To serve as a documentary record of matters relating to the ADRP.

The Editorial Board, under the ultimate direction of the ADRP Board, takes responsibility for the contents of the Newsletter. Signed contributions will take the form of short articles and letters to the editor which will normally represent the opinions of the author and need not represent the views of the ADRP. Anonymous material will not be considered for publication. The Editorial Board retains the right to edit or reject contributed material and to elicit similar and opposing views surrounding any issue raised.

The Editors: Rosemary MacKenzie, Dee Purvis

The Editorial Board: Rosemary MacKenzie, Dorothy Moore, Dee Purvis, ex-officio: Tarun Ghose, Man Vohra

HOW TO CONTACT US?

By phone: 902-494-7174 By e-mail: adrp@dal.ca By post: ADRP Office, Room

2831 Life Sciences Centre, Dalhousie University, Halifax, N.S. B3H 4J1

REGISTRATION FORM FOR THE CURAC CONFERENCE

COLLEGE AND UNIVERSITY RETIREES' ASSOCIATIONS OF CANADA(CURAC)

Associations des retrait(e)s des universités et collèges du Canada(ARUCC)

REGISTRATION FOR THE INAUGURAL CONFERENCE DALHOUSIE UNIVERSITY 26 MAY, 2003, HALIFAX NS Please print Name:

_____ (Family Name FirstName)

Affiliation: _____
(Name of retiree association, college or university, other) Position held at time of retirement: _____

Home address: _____
(Street address) _____
(City) (Province or State) (Postal Code) Phone No:

_____ (Area code) (Number) Email address:
_____ @ _____ (please print carefully

making any dots legible) Address in Halifax during conference (you must make your own booking) Waverly [] Sheraton 4 Point [] Lord Nelson []

Other (please specify) _____ (Name of hotel or street address)

_____ (Local telephone number) I am interested in one of the post-conference local tours: Louisbourg [] Lunenburg [] The registration fee of \$C40 should accompany this registration form. Please make cheque or money order payable to the Association of Dalhousie Retirees and Pensioners. Please do not send cash. No registration fee refund will be available after Thursday, May 22, 2003. Check here if receipt required [] Mailing Address : Association of Dalhousie Retirees and Pensioners 444 Francklyn St, Halifax NS B3H 1A9 Contact person: Dr. T. Ghose Telephone (902)429 0312 Fax: (902) 429 0942 E-mail: dr.tghose@ns.sympatico.ca

c/o
ADRP
Room 2831
Life Sciences Centre
Dalhousie University
Halifax N.S.
B3H 4J1
Tel:902-494-7174
E-mail:adrp@is.dal.ca