

ASSOCIATION OF DALHOUSIE RETIREES AND PENSIONERS

THE NEWSLETTER

VOLUME 5, NUMBER 3, DECEMBER 2006

Welcome to the third issue of our Newsletter, the last of 2006. We have a good number of subjects to cover as submitted by Board members. Under the guidance of our President, Philip Welch, the Board meets monthly on your behalf.

You may have received a notice previously from Blanche Potter regarding the upcoming General Meeting. This is just a reminder.

Association of Dalhousie Retirees and Pensioners

General Meeting

Wednesday, December 13, 2006

2:30 – 4 PM

Lord Dalhousie Room, Henry Hicks Building

Followed by

The Annual Holiday Festivities

Earl of Dalhousie Pub – University Club

4 to 6 PM.

Please note: 2007 dues of \$20 may be paid at this meeting

Some day-parking permits will be available (from 8th of Dec) for this meeting from the Security Office in the basement of the McCain Building. Request under 'Welch, ADRP'.

President's Report – Philip Welch

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Pension Indexation Update

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In the Survey Questionnaire, recently distributed to most ADRP members, I pointed out that Dalhousie pensions had fallen behind cost-of-living by almost 7% over the past four years despite a healthy surplus in the Retirees Trust Fund (RTF) of over \$30 million, about three times more than would be required to provide full catch-up indexation.

I refrained from providing an explanation for this apparent paradox, as I did not wish to unduly bias questionnaire responders. I will now tell you that the explanation is that the University Administration successfully persuaded the RTF Trustees that they should not use any of this surplus to provide any catch-up indexation. (More details in Paul Huber's report, below.) If the trustees had used enough of this surplus to fully provide catch-up indexation, it would have forced the University to provide additional monies (about \$1 million/yr) to service the deficit in

the PTF (the Pension Fund for current Dalhousie employees). Thus the Trustees decision to keep all the surplus in the RTF saved the University from significant additional expenditure from the operating budget.

The ADRP has protested these actions, since the primary and overriding legal responsibility of the RTF Trustees is to act in the best interests of the RTF beneficiaries. The only result of these protests is that we have now lost our representation on the group of RTF Trustees.

I can also now tell you, however, that this is not the end of the story. We have submitted our detailed concerns on this matter to the Nova Scotia Superintendent of Pensions, who is responsible for ensuring that all Pension Plans in the Province are properly administered according to the law and the provisions of the Plan. By the time you read this newsletter, your ADRP representatives will have met with the superintendent, and I hope that we will have some idea of her views on this matter. I will update you again in due course.

Upcoming Event

We have tentatively arranged for an interesting presentation by Ms. Annette Fougere, BScN, Supervisor of Intake and Placement in Long Term Facilities for the Nova Scotia Department of Health, together with Ms. Cheryl Purcell-Cotnam, Manager, Eligibility Review Unit. Tentative date, 10 January, at 2:30 pm in Great hall University Club. The title of their presentation is "*All You Wanted to Know About Nursing Home and Long-Term Residential Care in Nova Scotia, But Were Afraid to Ask*". More details will follow at a later date.

Indexation: RTF Performance and Pension Deferral – Paul Huber, 1st Vice President

Indexation. Inflation over the fiscal year from 1 July 2005 to 30 June 2006 was 2.5%. Unless you started your pension in the course of 2005 or 2006, your pension payments should increase by the entire 2.5% starting January 2007. Those in the 2005 cohort of pensioners may get slightly more or slightly less indexation, pensioners in 2006 will first be indexed in January 2008.

Performance. The one-year return of the RTF does not determine whether indexation is warranted; it is the three-year average return that normally drives indexation. During the last fiscal year, the RTF earned about 6.6% after expenses. Consequently, the three-year average return was 11.8%, which is roughly 3% points more than needed to provide full indexation for the year. Returns for the Pension Trust fund (PTF) for active employees were similar to those of the RTF for both the one-year and three-year periods. Furthermore, the prospects for full indexation in January 2008 for the inflation in the current fiscal year appear to be reasonably good.

Cumulative indexation arrears over this decade for those with maximal potential entitlement amounts to nearly 6.8%. Although the RTF Trustees are permitted, in their discretion, to decide to use some of a surplus to catch up missing indexation, they have felt themselves unable even to consider this because two years ago, Bryan Mason sprung a legal opinion on them that re-interpreted the meaning of 'surplus' as applying to the Pension Plan as a whole, not simply the

surplus of the RTF. On your behalf, I have challenged this new and strained interpretation. At present, about three times as much RTF surplus exists as needed to make good the entire indexation shortfall, but the Pension Plan, as a whole, remains in a slight deficit.

Rules for Deferral of Pension Payments. The Canada Revenue Agency (CRA) has recently required Dalhousie to alter its rules for pension deferral to make them more restrictive. At the same time, it has exempted from the application of the new rules

- all current pensioners who deferred in the past and
- all those who retired, elected deferral and are still in a state of deferral.

Special arrangements will apply to those who are in a state of deferral, but were 'deemed' to have deferred. (This group has an average age of 47, and few, if any, are members of the ADRP). Mike Roughneen and the Actuary, Peter Hayes, are largely responsible for the favorable outcome of the discussions with the CRA on this issue.

Deferral under the new rules will almost certainly be less advantageous than in the past, but the CRA maximum pension rules that now apply vary by age, marital status, length of pensionable service and other factors. Generally speaking, unmarried people with short periods of service who retire at age 65 and elect to defer will get the most favorable treatment. If you are contemplating deferral, you should get advice on how your future entitlements will be affected by the new rules.

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Benefits Committee Report – Om Kamra, Chair, and Philip Welch

A REMINDER to Retirees and Surviving Spouses – Paid Up Insurance of \$5000.

At the death of a Dalhousie Employee who retired in 1998 or earlier, the surviving spouse/estate should have applied for and received a paid up life insurance, usually \$5000, from Dalhousie University. If this applies to you and you have not received this insurance money, please contact Mr. Lee Crowell, Personnel Services, 494-1121, and keep the ADRP informed. You may also wish to leave a reminder for your heirs about this insurance.

Provision of Financial Assistance to Defray Nursing Home Care Via the Dalhousie Blue Cross Plan.

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We have generally encouraged Dalhousie retirees to continue their membership in the Dalhousie Blue Cross Plan, because of this provision. We recently discovered, however, that this provision has never been exercised and that it is not mentioned in the Summary Sheet of Retirees Blue Cross Benefits provided by the University.

As mentioned in the September Newsletter President's Report, the Dalhousie Personnel & Employee Benefits Office asked the University Benefits Committee to review this provision of the Plan. The Committee review was scheduled for October 25

th. The ADRP has been denied representation on that Committee, but we were invited to present our views and concerns, and did so. When we last checked, the Committee was still seeking further information about Nursing Homes, so there is no final conclusion or recommendation to date.

Meanwhile, this provision remains in the Dalhousie Blue Cross Contract. If any retirees, or their spouses, are currently receiving nursing home care, or have received such care in recent times and were unaware of this provision, we advise them to contact (without delay) Mr. Lee Crowell, Dalhousie Co-ordinator for Employee Benefits (494-1121) and register their interest in applying for help under this provision.

Accessing Dental Insurance

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A number of members have expressed interest and/or concern on this matter. A plan specifically designed for retirees was brought to your attention in the July 2005 Newsletter, offered by Retirement Management Services Ltd., 306-830 Shamrock Street, Victoria, BC, V8X 2Y1. The 2005 fees quoted in that Newsletter may now be higher.

Those interested in a wide coverage health plan should consider the “Follow Me” Plan (negotiated by CAUT through ManuLife – see the September 2005 Newsletter – for more details). We will give further consideration to this plan if the review of the Dalhousie Blue Cross Plan proves unsatisfactory. Individual retirees who wish to pursue this for themselves should contact the broker, Matt Power, at 613-236-9007, e-mail at matt@lee-power.ca or write to him at Lee-Power Associates, 616 Cooper Street, Ottawa, ON, K1R 5J2. _

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Communications Committee – Man Vohra, Chair, Barbara Prime-Walker, Chair of the Sub-Committee on Sharing and Caring

We are pleased to welcome Dr. Carol Smillie, Faculty of Nursing, as a member of our Committee. Well known to many of you, Carol has an extensive background in Community Health and Public Education, and continues to be a strong advocate for interdisciplinary networks.

We continue to acknowledge significant events in the lives of our membership. Thanks to those who have assisted us in keeping abreast of important accomplishments or losses. Your input and suggestions do help to keep us “in the loop”. During the Holiday Season, we will again bring special greetings to long-term members, near and far, who remain committed to the work of the ADRP.

Canada Pension Plan: Performance and Prospects – Bob Rodger, Treasurer

Your Treasurer and ADRP observer at Dalhousie’s Pension Advisory Committee, Bob MacKay, attended a public meeting given by the Canada Pension Plan (CPP) Investment Board in Halifax on Monday, June 12

th 2006. The principal speakers were the President, David Denison, and Chairperson, Gail Cook Bennett. Their presentations were excellent.

In 1996, it was estimated that the CPP could not be self-sustaining. Among other things, the CPP Investment Board was created in 1997 to invest the assets of the CPP to achieve a maximum rate of return without undue risk of loss. That Board is therefore working on behalf of the 16 million contributors and beneficiaries of the plan.

By the end of 2005, the plan had about 60% invested in equities, 30% in fixed income and 10% in real-return assets. As of March 31st 2006, the fund was worth \$98 billion and its return on investment for the fiscal year was 15.5% (22.6% from equities, 4.3% from fixed income, 12.9% from real-return assets). The Chief Auditor of Canada estimates that the fund will grow to \$246 billion over the next 10 years. Contributions (i.e. 9.9% of salaries/wages) should be more than required to pay all benefits up to year 2022 and the plan is sustainable at present rates for at least 75 years.

These are impressive results. Among other things, they are one part of Canada's fiscal arrangements that led Standard & Poor's to name Canada as one of only three countries that will maintain their investment grade through year 2050. The results are also quite enough to tempt some politicians to try to redirect a slice of these gains to some of their own favourite projects. In fact, this has popped up from politicians since June 12th 2006!

Fortunately, modifications of the structures that control how CPP is run and invested require the same national agreements as changes in the Canadian Constitution. Nevertheless, we should stay alert for political intervention, if not on our own behalf, then on behalf of our children and grandchildren.

Copies of the CPP 2006 Report and related documents, including "UN Principles and Responsible Investing", are in the Treasurer's file in the ADRP Office.

CURAC Conference

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The 2007 CURAC conference is going to be held at the University of Windsor and St. Clair College from May 23rd to May 25th 2007. The Planning Committee is in the process of devising a program that should be of interest to all members of CURAC. Arrangements are well underway to create particularly strong panels for sessions dealing with pensions and fiduciary duty. For other sessions we need your help. We are calling for participants who have an interest in the following topics:

- Long-term health care – Can we afford it?
- Developing retiree centres
- Non-medical retiree benefits
- Strategies for improvement of benefits

Those who would like to take part in the sessions should get in touch with Ken Pryke by e-mailing as soon as possible to p49@uwindsor.ca

Reports on ADPR Events

The September Panel Discussion “Where Do We Go From Here?” – submitted by Norman Horrocks, Secretary

The panelists were:

- Ms. Jeannine Jessome, Research and Policy Analyst, NS. Seniors’ Secretariat. “An Overview on Seniors’ Secretariat and Strategy of Aging”
- Dr. Ivan Dowling, Past President of the Board of Directors, the Seniors’ College of P.E.I. “Utilizing Resources for Retirees”.
- Dr. Paul Huber, 1st Vice President, ADRP; Trustee on the Dalhousie Pension Fund and Retirees Trust Fund since 1977. “The Future of Indexation”.
- Dr. J. Philip Welch, President, ADRP; Past Chair of the Dalhousie Pension Advisory Committee and the Dalhousie Employee Benefits Committee. “How Do We Get There?”
- Moderator: Blanche Potter, ADRP Past President

Jeannine Jessome spoke about the work of the Secretariat which has recently conducted a major survey of the aging population in Nova Scotia. Over 1,000 people were involved in 34 public meetings, 11 stakeholder forums and written responses. The findings have been published in a booklet entitled “Strategy for Positive Aging in Nova Scotia”, available from the Seniors’ Secretariat. Key points were an aging population, less volunteering, 48% of government expenditures on health, labour force growth by 2010 predicted to be zero, with transportation as the enabler.

In the ensuing discussion, Ms. Jessome said the Seniors’ Secretariat worked with other departments to ensure fairness to all e.g. on working after age 65, on Federal tax policies, etc. With regard to making university courses available free of charge, she said that not all seniors are comfortable in a university atmosphere and that the aim is to see equal opportunities. Ms. Jessome was asked if the Secretariat was supporting the proposed high-speed rail plan and she replied they were looking more at the “getting to the doctor” level and as many seniors do want to hold on to their driving licenses, a driving instruction course for seniors be offered. It was observed that as the provincial population aged, there was also a move of younger Nova Scotians to Ontario and Alberta and while immigration may be a partial solution, the immigrants would also move on after they have become acclimatized. Ms Jessome said that immigrants bring a stimulus to the community. Older people can remain active and have roles to fill if they wish to continue their activities.

Further information is available by writing to Seniors’ Secretariat, 4th Floor, Dennis Building, 1740 Granville Street, PO Box 2065, Halifax, NS, B3J 2Z1 or by calling their Information Line at 1-800-670-9965 (Toll Free) or in the metro area, call 424-0065. Their website is at <http://www.gov.ns.ca/scs.contact.asp>

Ivan Dowling, Past President of the Board of Directors of Seniors College of Prince Edward Island, described the work of the College. It is affiliated with the University of PEI but is governed by a Board of Directors elected by the membership. The College offers a series of non-credit courses of eight weeks duration to people over the age of 50. The instructors are paid a minimum wage for courses which are taught on the University of PEI campus, located in downtown Charlottetown and in Summerside. He then showed a video to illustrate the range of courses.

In response to questions, Dr. Dowling said that a course runs for three hours, one day per week for eight weeks. Courses are started when a group of people express interest in the subject. Class sizes are a minimum of eight and a maximum of 35. In addition to being paid, the instructor has access to the University library; parking for attendees is at a minimum rate. When no Faculty are available to offer a requested course, local persons may be found in such subjects as gardening, computers, etc.

Please note: the ADRP Board has now established a sub-committee of Sid Sodhi, Blanche Potter and Bob Rodger, to look into the possibilities for a Seniors College at Dalhousie.

Dr. Stevens Norvell's Presentation in October Entitled "Esperanto – The International Language", submitted by Blanche Potter, Past President

On October 18th, the Social Committee sponsored a very interesting lecture and slide presentation by Dr. Stevens Norvell. Esperanto was conceived in the late 19th century by L.L. Zamenkof, a young Polish visionary. Dr. Norvell explained that 100 countries now speak and use Esperanto, which is not intended to replace any national language, but to be a second language for all – a language for peace and international understanding.

Thousands of books and dozens of periodicals and travel brochures from many different countries have been published. For more information on Esperanto, write to them at The Canadian Esperanto Association, PO Box 2159, Sidney, BC, V8L 3S6.

Dr. Fred Vaughan's Presentation in November Entitled "Anthony Trollope – A Great English Novelist of the 1800s" submitted by Norman Horrocks, Secretary.

This presentation was also sponsored by the Social Committee. Dr. Vaughan is a former University of Guelph Political Science Professor who took early retirement in 1996 and has returned to Nova Scotia where he was born and raised.

Anthony Trollope was born in London in 1815 and educated at Harrow and Winchester. Due to his father's debts, his early years were not happy. His mother, Frances Trollope, rescued the family financially by writing a number of novels. As a widow, she moved with her family to the U.S. in 1827, and on her return to England in 1832, published "Domestic Manners of the Americans". She was resented by the Americans who called her "the best known, worst hated" of

English writers. She continued writing novels from a socially active viewpoint, e.g. “The Life and Adventures of Michael Armstrong, the factory boy” (1840) on the exploitation of child labour.

In 1834 her son, Anthony, began his career in the British General Post Office. He was transferred to Ireland where he had responsibility as an inspector of post office facilities. His major contribution to the work of the General Post Office was introducing pillar boxes in the streets of Britain. He retired in 1867 and stood unsuccessfully for Parliament. Trollope’s first novels, published in the late 1840s, were not successful but with “The Warden” in 1855, he began what became the Barchester series of novels which were followed by the Palliser series. In all, he wrote 47 novels, as well as travel books and biographies.

Obituary

Dr. Leonard Kasdan, formerly of Dalhousie’s Department of Sociology and Anthropology, passed away in October in New Brunswick.

Correction in obituary notice in the last Newsletter: This should have read “Professor E. “Eric” Mercer. Our apologies to his family and friends.

We look forward to seeing as many of you as possible at the General Meeting on December 13th, and to those of you who are unable to attend, we extend our sincere wishes for a very Happy Holiday and New Year.

Emerson A. Moffitt, Editor

Janice Scott, Associate Editor

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. These will 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.