

Association of Dalhousie Retirees and Pensioners (ADRP)

NEWSLETTER

Volume 13, Number 2, April 2014

**ANNUAL GENERAL MEETING
& Election of Directors**

**Thursday, 24 April 2014
1:30 Meet & Greet
2 – 3:30 AGM & Election of Directors**

**University Hall, MacDonald Building, Dalhousie University
Elevator available
Day parking tickets for ADRP members are available from the
Security Office, McCain Building**

Membership fees for 2014 may be paid at the meeting (if not already paying through Monthly Payroll Deduction). N.B.: MEMBERSHIP DUES ARE NOT INCOME-TAX DEDUCTIBLE (AS THE ADRP IS NOT A REGISTERED CHARITY NOR AN EMPLOYEE UNION).

NOTE: If you change your -mail address, postal address, or telephone number please send an email to ADRP@dal.ca or ADRP Tel: (902)494-7174 to alert the Membership Chair.

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From the Editor

It's that time of the year again - time for the Annual General Meeting of the Association of Dalhousie Retirees and Pensioners. This issue of the newsletter presents summaries of the time, hard work and energy expended by a small number of retirees for the benefit of us all. We encourage you to read it well, critique the facts, opinions, and strategies presented, and come to the Annual General Meeting on April 24, 2014 ready to present your views as well as to visibly support and encourage your ADRP Board and Committee colleagues.

Unfortunately we will be missing one very valuable and valued ADRP member, **Blanche Potter Creighton** who passed away on March 11, 2014. A founding member of the ADRP in 2000, Blanche served as President in 2004. She subsequently held the positions of membership chair and was newsletter editor for many years including at the time of her death. Blanche also facilitated space and reception arrangements for the General Meetings and...she baked cookies and brought them to each of the general meetings to accompany the coffee/tea service. She will be missed for many reasons.

Never shirking her responsibilities, in the week preceding her death Blanche retrieved the printed February newsletter copies from the Print Centre at Dal, but unfortunately died before being able to label and mail that issue to those members who still require hard copy, a situation not discovered until well after the fact. If you are one of those members, that would explain why you did not receive your February issue in the mail.

Needless to say, we are now in search of a co-editor replacement so please give some thought to volunteering. As noted in the report of the Nominations Committee, there are several positions on the Board that need to be filled. So don't be shy....put your name forward. Following Blanche's example, offer to do your bit to keep the whole running smoothly.

Denise Sommerfeld, Co-editor

Editorial Policy: The ADRP intends to publish the newsletter every three months. We hope 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; and 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; these 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 Editorial Board: Denise Sommerfeld, Co-Editor

Ex-officio: Carolyn Savoy, ADRP President; Randy Barkhouse, ADRP Secretary
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DRAFT AGENDA
ADRP ANNUAL GENERAL MEETING
2:00-3:30 pm on THURSDAY, April 24, 2014
University Hall, MacDonald Building

1. Call to Order and Adoption of the Agenda (SAVOY)
2. Recognition of deceased members (SAVOY)
3. Minutes of the General Meeting of December 11, 2013 (BARKHOUSE)
 - a. Approval
 - b. Matters arising
4. President's Report. (SAVOY)
5. Treasurer's Report (STUTTARD for DUNSWORTH)
 - a. Financial Statement
 - b. Proposed budget for 2014-2015
6. Appointment of Auditor
7. Reports from Standing Committees (discussion of these reports is greatly encouraged):
 - a. Benefits Committee (TINDALL)
 - b. Communications Committee (BARKHOUSE)
 - i. Website
 - ii. Newsletter
 - c. Membership Committee (STUTTARD)
8. Pension Advisory Committee (HUBER)
9. Nominating Committee Report (BARKHOUSE) and Election of Board members for 2014-2015
10. Representatives' Reports
 - a. SCANS (Seniors' College Association of Nova Scotia) (WELCH)
 - b. CURAC (College and University Retirees Associations of Canada) (BARKHOUSE)
11. Any Other Business
12. Adjournment

Draft MINUTES
ADRP GENERAL MEETING
2:00-3:30 pm Wednesday, December 11, 2013
University Hall, MacDonald Building

1. **Call to Order (President Carolyn Savoy) and Adoption of the Agenda:** The draft agenda was ADOPTED (Sherwin/Nestman)
2. **Remembrance of Deceased Members:** The chair requested a moment of reflection in memory of deceased member Emily Nobles.
3. **Minutes of AGM of 24 April 2013:**
 - A. **Approval (Bradfield/Sutherland)** – The previous minutes were APPROVED
 - B. **Matters Arising** – There were no matters arising.
4. **President's Report (SAVOY):**
 - A. President Carolyn spoke of the major progress on benefits through the Retiree Benefits Advisory Committee led by David Tindall. She mentioned also the outlook for positive relations with senior administration based on a recent meeting with President Richard Florizone, and the undertaking to conclude a new Memorandum of Understanding. Suggestions on changes to the draft which appeared in the newsletter were encouraged.
5. **Treasurer's Report (Dunsworth)**
 - A. **Budget Update** – ADRP's fiscal year is the calendar year so this close to the end it is easy to predict the final outcome and treasurer Dunsworth was happy to report that we were "on budget", although with some variations in individual accounts. A surplus for the year is predicted.
6. **Committee Reports:**
 - A. **Benefits (Tindall)** – Benefits chair Tindall was happy to report that the Retirees Benefits Advisory Committee's (RBAC) operations are finally bearing some fruit. He is also chair of RBAC. He outlined a retirees travel insurance proposal that had been recently announced by Inter-University Services Inc. (ISI) who negotiate with providers such as Blue Cross on behalf of most Maritime universities. SSQ is the travel insurance provider. Several questions were posed on the terms, especially the existence of "pre-existing conditions" which sometimes result in a denial of claim. The terms under the SSQ proposal seemed quite favourable.
 - B. **Communications:**
 - i. **Website** – Randy Barkhouse reported that reports and tables relevant to our pension plan were now linked on the ADRP web site at adrp.dal.ca. These included a table summarizing the history of investment returns of the RTF and indexation paid for the past 20 years. Another recent addition was the report on the new Canadian Mortality Tables which reflect the increased longevity of Canadian seniors.

ii. **Newsletter** – Four editions of the newsletter had been published in 2013 and a similar number are expected in 2014. The need for members to keep the membership chair informed of their email address was stressed as the newsletter is e-mailed to most members. It is mailed to a small few who do not have email addresses, plus a few dozen addresses within the university.

C. **Membership** – Membership chair, Colin Stuttard indicated there were a few changes from his report in the newsletter. Some members had paid at the meeting, but members are encouraged to pay by monthly dues deduction as this requires no reminder notices to be sent, and members don't have to remember to renew.

7. Other Reports:

A. **PAC(Huber)** – Paul Huber had just arrived from the most recent meeting of the Pension Advisory Committee. The actuarial valuation of March 31, 2013, had shown a \$26 million surplus in the RTF which was favourable to possible indexation. However we have been informed that none would be forthcoming as the new mortality tables would wipe out all or most of that surplus. However, returns to date for the RTF had been very good, so a new surplus might arise if those continue. A new valuation must be done no later than March 31, 2014. The attitude on the Board of Governors to the state of our pension plan is not favourable due to the deficit amortization payments now required. We need to be vigilant against false claims concerning the history of the pension plan. A response to the recent letter from the chair of the RTF trustees is important as some of the remarks in it must be refuted. Paul would be working on a draft response in the coming weeks, but he thought it should not go out in this holiday period as it could then be forgotten in the new year. In response to questions about indexation he thought automatic indexation was still a few years off, but catch-up indexation might be possible sooner, depending on the discretion of the RTF trustees and whether they truly acted in the interest of beneficiaries as their fiduciary duty requires.

B. **SCANS:** ADRP's SCANS board member Philip Welch reported that SCANS continued to be active and successful with outlying chapters in Truro, Chester, and Mahone Bay. A new term of courses would begin in January. Total SCANS membership exceeds 500.

C. **CURAC:** ADRP delegate to the 2013 conference at Memorial in June, Randy Barkhouse, reported it was a successful event with attendance from across the country. This year's conference included sessions on Newfoundland culture and history. The annual conference is an excellent way to find out what other associations across Canada are doing that is successful and helpful to their members. The 2014 conference is scheduled for McMaster in late May.

8. **Other Business** – None

9. **Adjournment:** On motion by John Barry the meeting was adjourned. The President invited all members to the annual reception at the University Pub to which the new Dalhousie President, Dr Richard Florizone, had been invited. She asked all to remember that he was a guest, and treat him accordingly.

President's Report: Annual General Meeting – April 3, 2014
Carolyn Savoy

My first year as President has been a very eventful and progressive one. I have had the privilege to work with some outstanding, hard working colleagues. Without their diligence the ADRP would not have accomplished what we have, and it has been substantial I might add. I would be remiss if I did not thank ALL of them on behalf of myself and all ADRP members. It has been a pleasure team!

I congratulate David Tindall and his Benefits Committee on doing such a fine job on our travel insurance plan and decrease in fees for our extended health care. Many ADRP members have benefited from that committee's hard work. We are of the age where health benefits are paramount. Also the committee is currently negotiating better rates and/or service from Dalplex for our members. Randy Barkhouse has continued to update our web page and offer me guidance in my role as President. He has been most generous at giving his time to me.

I negotiated with the Dal Libraries to secure all Dal Libraries e-resources to a retired employee upon request for five years. They will renew access at the end of five years. Just send an email to Donna Bourne Tyson (donna.bourne-tyson@dal.ca) to access this service, if you are interested. In addition I sent a letter to Dr. Florizone requesting a Memorandum of Understanding (MOU) between the ADRP and university be signed. We are awaiting their response. At a meeting last fall with Dr. Florizone, he was very open to this idea. The ADRP drafted a MOU and sent it to him in January. Personally, I expect a positive response from him. The MOU was included in our last newsletter if you would like to see our proposal. On a side note, Dr. Florizone did attend our social in December following our semi-annual meeting.

I also hope that we can grow our membership as we have much more influence in making progress if we have large numbers to back up the ADRP requests. I would encourage all of us to recruit one new member to our organization. We have a wonderful opportunity to make gains with the university administration for the ADRP. Thank you for your support.

Treasurer's Report, April 4, 2014 : Anne Dunsworth

ADRP FINANCIAL STATEMENT FOR 2013 AND BUDGET FOR 2014

	<u>2013 Budget</u>	<u>2013 Actual</u>	<u>2014 Budget</u>
<u>REVENUE</u>			
Dues by Direct Payment	2000.00	1660.00	1340.00
Dues by Pension Deduction	5500.00	5854.82	6920.00
Donations by Members	0.00	40.00	0.00
BMO Account Interest	1.00	0.82	0.24
Dal HR Travel Grant	1000.00	1000.00	1200.00
TOTAL	8501.00	8555.64	9460.24
<u>EXPENDITURES</u>			
Bank Charges	0.00	0.00	0.00
Telephone	350.00	339.72	339.72
Postage	800.00	575.49	500.00
Office Costs	150.00	118.49	150.00
NS Registration Fee	30.00	30.25	31.00
CURAC Dues	200.00	159.50	206.50
Travel	2500.00	1161.01	2500.00
Membership Cmte	300.00	24.68	300.00
Communications Cmte	300.00	574.80	300.00
Complaints & Advocacy	0.00	0.00	0.00
Liaison Cmte	0.00	0.00	0.00
Benefits Cmte	0.00	0.00	0.00
Social Cmte	800.00	854.38	1200.00
Meeting Room	0.00	57.50	172.50
SCANS-Ken Rozee Lecture	0.00	150.00	150.00
TOTAL	5430.00	4045.82	5849.72
<u>SURPLUS</u>	3071.00	4509.82	3610.52
To Contingency Fund	2000.00	1878.71	2065.00
To Accumulated Surplus	1071.00	2631.11	1545.52
<u>Balance Sheet as of 31 December 2013</u>			
<u>ASSETS</u>		<u>LIABILITIES</u>	
BMO Account	11,107.94	Regional Account	786.02
GIC's with BMO	23,000.00	Contingency Fund	15,433.71
Dalhousie Account	2.27	Accumulated Surplus	17,891.48
SCANS Account	1.00		
TOTAL	34,111.21		34,111.21

<u>CURAC Regional Account</u>	
Bal 31 Dec 2011	684.02
SMURA Jan 2012	102.00
Balance 31 Dec 2013	786.02

Comments by Treasurer regarding ADRP's 2013 Financial Statement and Budget for 2014

Revenue:

- 2013: With regard to Actual Revenue versus Budgeted Revenue, there was an increase in the amount of \$54.64.
- 2014: The Budgeted Revenue reflects that 37 new members have joined ADRP.
- More retirees and pensioners are expected to join ADRP in 2014. It is therefore anticipated that membership revenue will increase some from the listed amount.

Expenditures:

- The 2014 budget indicates an increase in expenditures from last year. This will result in less surplus revenue for 2014.
- An additional expenditure is rent for a meeting room off campus for some of the Board Meetings. This began in 2013.
- Some of the committees listed have a '0' balance in their budget; these committees have been inactive over the past two years.
- With an increase in communications with members being conducted through email, versus through Canada Post, there potentially will be a decrease in printing and mail-out costs either this year or certainly by 2015. Therefore, estimated costs listed under Postage, Membership Committee and Communications Committee will likely decrease.

Concluding Comments:

The 2013 budget is balanced and the budget for 2014 reflects continued financial growth for ADRP.

Respectfully submitted by Anne Dunsworth, ADRP Treasurer

Annual Report of the Benefits Committee (BenComm), April 3, 2014
David Tindall, Chair

Travel Medical Insurance Coverage

Undoubtedly the major achievement this year was the addition of Travel Medical Insurance to the Over-65 Health Plan. This became effective February 1st, 2014, with a modest increase in premium going into effect on April 1st. In January, all member of the Plan were notified of the change and a summary of the terms & conditions of the coverage, which (like the active employees' plan) is carried by SSQ.

Cross-Experience rating of the Blue Cross Plan

As long ago as October 2012, Michael Bradfield, on behalf of BenComm, presented to

the EBC the ADRP position that Over-65 Health Plan should be cross-experience rated with that of the active employees. This would result in a decrease in premiums for retirees and a small increase for active employees, which they would recoup once they retired.

Given that pension indexation seems unlikely in the foreseeable future, retirees are very interested in restraining their health care costs. Active employees, on the other hand, while also cost-conscious, can expect to receive pay raises on an on-going basis.

During the course of this reporting year we were invited to make presentations on this matter to a general meeting of NSGEU local 77, the EBC and the Dalhousie Faculty Association (DFA) Executive Committee. Subsequently, the DFA committed their support of our proposal, however other employee groups and the EBC itself have yet to make a decision.

Premium Holiday

The Retiree Benefits Advisory Committee (RBAC) reviewed the premium holiday and approved its continuation from April 1, 2014, to March 31, 2015, for those members born in 1940 or earlier.

This premium holiday was instituted to provide some recompense to those who had been charged excessive premiums prior to 2009.

Those born in 1941 or later returned to full premium on April 1st. However, this means that well over 50% of the members of the Plan will continue to pay no premiums for another year, in spite of the addition of travel coverage. Assuming that premium rate increases remain modest over the next few years, the premium holiday can continue for quite a few more years.

In recognition of the fact that older members were overcharged for a longer period of time, the practice of RBAC has been to reduce the birth year criterion by one year for every year: i.e., beginning in April 2015, 1940 babies can expect to return to paying full premiums. However, this is not guaranteed, as RBAC has decided to review the premium holiday on an annual basis.

One issue that the BenComm has under consideration is the eligibility for premium holiday for the surviving spouse in the event of the death of the member. At present, the Medavie Blue Cross practice is to change it to the surviving spouse's birth year. However, this seems to conflict with the principle that the premium holiday rebate is in recompense for overcharging premiums prior to 2009 which were paid by the member; thus, it seems it would better to keep the eligibility birth year as that of the member.

Semi-Private Hospital Coverage

As we noted in previous reports we are investigating whether we should drop semi-private hospital coverage from the Plan. We are told that it is rarely available in HRM (where most, but by no means all, members live) and, in any case if the attending physician makes a recommendation, it is provided at no cost to the patient. So we appear to be paying about \$20 per month/family for something which ends up being of little actual benefit.

One member even pointed out that the coverage could have negative consequences: A

relative had died in hospital as a result of being incapable of calling for help when there was no-one nearby. Perhaps this would have been avoided if there had been other patients around.

So far, we have had very limited, and mixed, feedback from members and we judged the issue of Travel Coverage to be much more pressing and consideration of Semi-Private Hospital coverage went on the “back burner”. BenComm has now moved this issue to a more active part of its agenda. We would like to receive your thoughts.

Dalplex Rates for Retirees

This matter is still under discussion at the RBAC.

On behalf of the RBAC on January 6th, Lee Crowell sent the ADRP proposal to Katherine Frank (Assistant Vice-President, Human Resources), with a covering letter which set out the ADRP’s position: “Given that retirees have non-prime time access at Dalplex, the RBAC is seeking confirmation from Dalhousie that its Retirees should pay a non-prime time rate which is 50% of the non-affiliated ‘seniors’ rate. As the Dalplex rate structure stands, Dalhousie Retirees currently pay the same as retirees who have no affiliation to Dalhousie, i.e., their service to Dalhousie is unrecognized, despite the language and intent of the DFA.”

Actually, the situation is a little worse: the non-affiliated "Seniors" rate begins at age 60 and one does not even need to be retired to take advantage of it!

We understand that a response can be expected as soon as possible.

As always, we look forward to your suggestions and contributions!

The **BenComm Membership** has remained constant over the year: Randy Barkhouse, John Barry, Michael Bradfield (Secretary), Larry Nestman, Dianne Pothier, Carolyn Savoy, David Tindall (Chair), Peter Wallace and Philip Welch.

The **ADRP nominees to RBAC** are:

Michael Bradfield (Secretary), Dianne Pothier and David Tindall (Chair).

From the BoG: Lee Crowell (Vice-Chair) and Darryl Warren with Kirk Shand (Mercer) as advisor.

Communications Report, April 2014

Newsletter – Denise Sommerfeld

The ADRP produces 3-4 issues of the ADRP newsletter each year with reports from the Board and its Committees. and articles of interest to the membership. The newsletter is circulated by email, with a small number still printed and mailed to those without email addresses. **If you change your email address please send an email to ADRP@dal.ca to alert us.**

Each issue of the ADRP Newsletter is also posted to the web site (adrp.dal.ca), and an archive of past issues is available there. Please encourage your former non-retired

colleagues (as well as retired colleagues who are not ADRP members) to visit the site now and again to find out more about the ADRP's work and mission, and thus perhaps serve as encouragement to them to join us on retirement.

We invite and encourage members to submit brief articles for the newsletter that are relevant to our status as "seniors" within a community, both public as well as University-related, as well as opinion pieces that might serve to encourage debate amongst our membership. Feedback on the Newsletter's content and format is always welcome and as with any system, can only serve to make it better. Our Editorial Policy can be found on Page 2 of the Newsletter.

Webmaster Report - Randy Barkhouse

ADRP
Association of Dalhousie Retirees and Pensioners

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Important Messages/Announcements Relating to Current Event

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NEW! [ADRP Newsletter](#), posted February 2014

[Why Dalhousie was selected as one of Canada's Top 100 Employers for 2014 - ADRPI](#), posted December 2013

Pensions **Reports and Articles** **Benefits** **CURAC**

ADRP URL: <http://adrp.dal.ca>

1,894 Visitors
25 Mar 2012 - 31 Mar 2014

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Last Updated Wednesday, March 05, 2014

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The ADRP web site, adrp.dal.ca, is intended as one of two primary information sources for the Association. Together with the newsletter it provides members with updates on topics relevant to them and the Association.

The ADRP site has a left hand side menu of links to material that is more or less constant – a bit of the association’s history, its aims and objectives, its current board members, constitution and bylaws, an archive of past newsletters, contact information for phone or email, membership application form, and a link to the SCANS web site.

The body of the home page consists of changing information grouped into five categories:

1. Notices of upcoming events and most recent newsletter
2. Pensions
3. Benefits
4. Reports and Articles on a variety of general topics relevant to retirees
5. CURAC

New articles are linked to one of those sections and tagged with the month posted to allow identification of recent material.

Members are urged to check the site regularly for new articles and announcements.

Membership Committee Report - April 4, 2014 **Colin Stuttard**

The current number of ADRP members in good standing is **419**, of whom **353** are paying dues by monthly deductions from pensions. We urge all ADRP members, who have Dalhousie pensions, to sign up for this memory-free dues-payment method [a copy of the application form is on page 24 of this Newsletter].

There are still about 60 former members to be contacted, if possible, by phone or more expensive surface mail. At least four ADRP members died in the first quarter of 2014.

Please note that membership dues to the ADRP are not income tax deductible as the ADRP is neither a registered charity nor an employee union.

Report on Pension Issues to the ADRP AGM – March 2014
Paul B. Huber, ADRP Representative to the Pension Advisory
Committee

0. Introduction

Dalhousie's pension assets rose over the ten months from 31 March 2013 to 31 January 2014 by \$55 million in the Pension Trust Fund [PTF] and \$42 million in the Retirees' Trust Fund [RTF]. Most of this increase arose from investment returns that were around 11% -- and seem highly likely to be well over 12% for the entire twelve months to the end of March 2014. Just under 42% of these assets are held in the RTF for the benefit of Dalhousie pensioners, a share that has gradually been rising over the past decade. The balance is held by the PTF. This is the good news.

The rest is less encouraging. My report this year is organized under similar headings to those last year, but will be briefer because some issues have taken siestas as a consequence of changing the guards at the Henry Hicks building and at Province House. The issues discussed fall into five categories:

- 1) administrative matters,
- 2) results from collective bargaining,
- 3) legislative or regulatory changes (including some still pending),
- 4) actuarial matters, and
- 5) other issues, including indexation

Although no collective bargaining has occurred, all sides are polishing armour and sharpening lances for jousting in the near future. The Board of Governors, on which Bill Black (one-time Provincial PC leadership candidate and former Maritime Life CEO) serves as Vice-Chair, has been forcefully and repeatedly promoting an agenda that includes significant reduction of pensions at Dalhousie. Some readers might find this observation unfair, because some official University documents do suggest that employees might freely choose more pension and less salary as long as total compensation remains within budget. But those who attend Board meetings report that members of that august body assert that they will never again sign a collective agreement unless it solves the University's pension "problem" (by either cutting pensions or raising employee contributions). President Florizone seems to agree with that goal. Yet there is a probability that a strike or lockout will hurt students, so maybe this is posturing at our expense.

1.0 Administrative Matters

1.1 *New DC Pension Plan for Grant-paid [GP] Dalhousie employees*

Little news about this initiative, which was applauded in this report a year ago. At this point Manulife appears to be the carrier for this DC plan; implementation will occur within the next six to eight months. Some issues

doubtless will arise when the new arrangements commence, among them that some grants provide inadequately for fringe benefits to GP employees.

1.2 ***Interactive On-line Pension Information System [O-IPIS]***

The “pension projection tool” introduced in late 2010 has worked well and saved money. However, improvements since then have been slow because updating, for example to accommodate new mortality assumptions, has taken precedence. Supposedly cost and lack of staff to monitor improvements are the key problems. Could this be penny-wise, pound-foolish?

1.3 ***Ex-Gratia Payments to Pre-1982 Retirees***

In 1982, 117 individual Dalhousie retirees whose pensions never had been incremented for inflation started to receive token indexation. As of mid-2013, only six remained, with an average age over 95 years. They collectively received \$29,000 from the University’s operating budget in January 2014. Two months later, their numbers have fallen to four and the likely pension amount next January to about \$15,000.

1.4 ***Audit of Pension Data Base***

To ensure that pensions in the correct amounts are received by Dalhousie retirees and their surviving spouses (or beneficiaries), the Dalhousie pension administrative system needs accurate addresses, account numbers and death information. Mistakes (which usually imply that excess amounts have been paid) are costly to correct. These data have now been completely reviewed and verified and procedures put in place to keep data current.

2.0 **Impacts of Collective Bargaining on the Dalhousie Pension Plan [DPP]**

Collective bargaining in 2012 resulted in a Letter of Understanding [LOU] that committed the Board and the unions to set up a “Joint Committee comprised of their representatives to investigate improvements to the governance and structure” of the DPP. The DPMG and retirees were to be invited to participate. The Committee was required to report to PAC by 7 May 2013 on all aspects of its two-fold mandate to consider and make recommendations on the future of

- (A) several specific governance features of the DPP, and
- (B) several specific clauses of the text of the DPP.

The features and clauses selected suggest that the administration is keen to control the DPP more closely, while lowering benefits, underfunding pensions and eliminating indexation.

Supposedly, this Committee has been hard at work for nearly two years. Yet Committee members are just being selected. In February, Randy Barkhouse received a letter from Ian Nason, the Acting Vice-President - Finance and Administration, designating him to serve on this Committee. Simultaneously, the DFA, and both NSGEU locals were given a week to name representatives. The ADRP’s Board responded by pointing out to Mr. Nason that the ADRP was not prepared to have its representatives selected by Dalhousie’s Board of Governors. Furthermore, the ADRP possessed at least as much pension expertise as any of the other parties that expected to participate in this Committee and the RTF comprised over 40% of the pension assets at Dalhousie. So we expected to have a

full complement of representatives on this Committee, should it now become active. Neither the NSGEU nor the DFA appear happy with the sudden resuscitation of a moribund, useless and unnecessary committee at this busy time during the academic year, so if they participate, it will be without enthusiasm.

3.0 **Legislative Or Regulatory Changes -- Finalized or Still Pending**

3.1 ***Solvency Exemption for Dalhousie***

The partial solvency put in place by the Province in December 2012 remains. No suggestion is apparent that this exemption is likely to change.

3.2 ***Annual Actuarial Valuations***

Any pension plan in the Province that has a solvency deficiency greater than 15% (even if exempt from having to make additional contributions to reduce that deficiency as Dalhousie is) must file actuarial valuations annually. Although this is disadvantageous for the University, it is favourable for pensioners, because catch-up indexation depends on the surplus in the latest actuarial valuation, so will get considered every year. Furthermore, until the next actuarial valuation at Dalhousie, new retirees transferring from PTF to RTF will be underfunded because the old (inadequate) mortality assumptions will continue to be applied to them.

3.3 ***Actuarial Asset Smoothing about to be Disallowed***

Until the valuation twelve months ago, the market values of PTF and RTF assets had not been used in actuarial valuations at Dalhousie since the 1990s; instead, at the Administration's request, asset values were actuarially massaged by various formulae, apparently in the mistaken belief that fluctuations in actuarial assets (and hence in contribution rates) would thereby be reduced. The actual effect differed: fluctuations in values were only belatedly recognized. And the actuarial valuations became more opaque for senior administrators as well as for everyone except the actuaries. Provincial regulations to prohibit smoothing still have not been proclaimed.

4.0 **Actuarial Matters**

4.1 ***Timing of the Next Valuation***

The last actuarial valuation at Dalhousie as of 31 March 2013 revealed a much larger solvency deficit than 15%, so the next valuation is required no later than 31 March 2014. Results will become known two to six months after the date to which they relate; and must be submitted to the Superintendent of Pensions within 12 months after that date.

4.2 ***Actuarial Assumptions***

Actuaries conservatively project the future, making key assumptions about mortality, interest rates, inflation, salary changes, regulatory variations and other matters. Sometimes changes in these assumption can be quite important. At the next PAC meeting, a discussion about these will likely take place, but with one major exception -- reduced mortality -- little change is likely to be introduced. With respect to mortality, the CIA -- not who you think, but the Canadian Institute of Actuaries -- has recently produced new mortality tables that all

actuaries in Canada are now required to use. These new tables, which are based on Canadian rather than on transplanted American data, are thought likely to impose new liabilities on the PTF of about \$35 million and the RTF of \$25 million respectively. Hence, the deficit in the former will be increased and the surplus in the latter reduced. The administration, the Board of Governors and the new President are collectively sounding the alarm about how outrageously we gerontological specimens are behaving: we have the temerity to live too long! Even worse, our misbehaviour is contagious and is spreading to current Dalhousie employees.

Mortality has been improving in Canada for many decades. But evidence that these improvements are accelerating at Dalhousie does not exist. The assertion in the *100 Days of Listening: Final Report* (p. 112) that “a major factor [explaining the rise in liabilities of the DPP since 1996] is the continued improvement in mortality” is simply empirically incorrect (as are other assertions in the pension section of that report). The two major factors that contributed to a three-fold rise in DPP liabilities (roughly \$650 million) since 1995 were increases in Dalhousie’s average salaries and average pension payments by two-thirds, and a rise in the numbers of Dal employees by 40% and of Dal pensioners by 150%. Hence average salary/pension and numbers of DPP members account for 90% of the rise in DPP liabilities. Incidentally, it was employees -- led by Dr. J. Philip Welch -- who strongly pushed for conservatism in mortality assumptions and finally managed to get them up to realistic levels a decade ago.

4.3 ***A Back of the Envelope Preview of the Actuarial Valuation***

Data regarding the precise amount of RTF and PTF assets as of 31 March 2014 is not available as I write in mid-March. Nor can anyone yet have complete liability information as of that date. However, we do know that the Actuary pegged the RTF surplus and PTF deficit a year ago at \$26.5 million and -\$110.5 million respectively. Returns over the first six months of the DPP’s fiscal year ran at 8.6% before considering investment expenses. With returns in the two funds over the full year to 31 March 2014 conservatively projected to be 13.0% and 11.5% respectively, the surplus in the RTF would rise to over \$50 million and the deficit in the PTF would shrink to be about \$65 million respectively before taking the changed mortality assumptions into account. Subtracting \$25 million from the RTF surplus and adding \$35 million to the PTF deficit for the impact of these new mortality assumptions and taking into account expenses of \$4 -\$5 million, one is left with roughly a \$30 million surplus in the RTF and a deficit of \$100 million in the PTF as of 31 March 2014. For both funds together, this would represent about a \$14 million improvement in the overall deficit from March 2013. Should returns in the two funds be 1% smaller than projected, this would add about \$9 million to this deficit, still implying that the effect of the new mortality assumptions would be completely offset by investment returns.

An RTF actuarial surplus as at March end of roughly \$30 million, implies \$15 million available for catch-up indexation. Complete catch-up indexation would cost about \$40 million according to actuarial estimates from last fall, so only a partial catchup of the years from 2002 through 2008 would be possible, assuming that the RTF trustees were to take their fiduciary responsibilities toward us seriously.

5. Other Issues

5.1 *Discretionary Indexation (Catch-up Indexation)*

All Dalhousie retirees should have received a letter late last fall from Mr. George McLellan, chair of the RTF trustees, in which he advised us that the trustees had acted prudently by not providing us with any catch-up indexation from the \$26 million of RTF surplus, since they were concerned that the impact of the pending new mortality assumptions as well as adverse market developments might overwhelm the RTF. Carolyn Savoy's February response to the trustees has been reprinted in the ADRP Newsletter. Dalhousie's Acting Vice-President, Ian Nason, and Treasurer, Colin Spinney, have both stressed that when the RTF trustees reached their decisions in October and late February, they focused exclusively on Dalhousie retirees and gave no consideration to extraneous factors, such as the University's operating budget. Since Carolyn's letter did not address fiduciary duties of the trustees, but a number of other issues, one cannot help wondering whether the trustees gave any thought to the detailed arguments in Carolyn's letter to them. It appears we will get another letter from Mr. McLellan advising us that further action on catch-up indexation will be postponed until after the next actuarial valuation.

5.2 *Automatic Indexation*

Opaque language in sub-rule 9 (e) of the DPP effectively provides that if the RTF fails to earn 5.05% on average over any three-year period, that shortfall must subsequently be made good by earnings above that threshold before any further automatic indexation can take place. And this is cumulative. Really bad investment performance in 2008 and 2009 combined with sub-rule 9(e) have effectively precluded automatic indexation for several recent years.

Arrears with respect to sub-rule 9(e) are currently 6.58%, which likely will fall to around 3% at the end of June 2014. A year later, arrears will almost certainly disappear and some -- possibly incomplete -- automatic indexation will be renewed in January 2016. That indexation might realistically be for the full amount of inflation in the preceding year. Bear in mind that automatic indexation can never make good any previously missing indexation, however.

5.3 *PAC Review of Indexation*

The same ideas as were advanced in 2007 were again recently presented to PAC, which had somewhat changed membership. The outcome was unchanged. Dalhousie's administration is not currently interested in a revised indexation arrangement involving some slight reduction of risk to the Board, if that revised system resulted in better pensions and more certain indexation than at present for its pensioners. Any indexation at a time when the overall DPP is experiencing a deficit and the operating budget burdened by special pension contributions is, from the perspective of the Henry Hicks Building, a problem that should be eliminated rather than exacerbated.

5.4 *100 Days of Listening: Final Report*

This relatively short section section of a nearly 200-page report touts transparency in pension matters, while misrepresenting the benefits under the DPP,

inventing a recent history of the Plan, failing to distinguish repeated changes in actuarial data massaging, identifying statistical trends where none exist, misrepresenting the investment performance of the PTF and RTF trustees, attributing to inexorable external forces “sustainability challenges” that arise from the University administration’s own policy decisions. In the course of the next month, I hope to be able to complete a full review of this section of the *100 Days of Listening: Final Report*, which the ADRP Newsletter may consider for publication.

Report of the ADRP Nominating Committee (as of March 30, 2014)
Randy Barkhouse, Chair

[New nominations are presented **IN BOLD**]

<u>OFFICE</u>	<u>NAME</u>	<u>PHONE</u>	<u>EMAIL</u>	<u>PAST POSITION</u>
<u>President</u>	Carolyn Savoy	<u>422-7139</u>	carolyn.savoy@dal.ca	<u>Professor of Health and Human Performance</u>
<u>Immediate Past President</u>	Randy Barkhouse	<u>434-8291</u>	randy.barkhouse@dal.ca	<u>Director of Academic Computing Services</u>
<u>1st Vice President</u>	<u>Vacancy</u>			
<u>2nd Vice President</u>	<u>Vacancy</u>			
<u>3rd Vice President</u>	<u>Vacancy</u>			
<u>Secretary</u>	Randy Barkhouse	<u>434-8291</u>	randy.barkhouse@dal.ca	<u>Director of Academic Computing Services</u>
<u>Treasurer</u>	Anne Dunsworth	<u>445-3484</u>	amdunsworth@ns.sympatico.ca	<u>Co-ordinator Science Co-op</u>
<u>ADRP Members-at-Large</u>				
	Pat Farmer		pat.farmer@dal.ca	<u>Professor of Pharmacy</u>
	Paul Huber	<u>477-9802</u>	paul.huber@dal.ca	<u>Professor of Economics</u>
	Donna Meagher-Stewart		donna.meagher-stewart@dal.ca	<u>Professor of Nursing</u>
	<u>Vacancy</u>			

<u>Committee Chairs</u>				
<u>COMMITTEE</u>	<u>NAME</u>	<u>PHONE</u>	<u>EMAIL</u>	<u>PAST POSITION</u>
<u>Benefits</u>	<u>David Tindall</u>	<u>455-7456</u>	<u>david.tindall@dal.ca</u>	<u>Professor of Physics</u>
<u>Communication</u>	<u>Denise Sommerfeld</u>	<u>431-5419</u>	<u>denise.sommerfeld@dal.ca</u>	<u>Professor of Nursing, Past Secretary of Senate</u>
<u>Membership</u>	<u>Colin Stuttard</u>	<u>429-0252</u>	<u>c.stuttard@ns.sympatico.ca</u>	<u>Professor Microbiology & Immunology, Past Chair of Senate</u>

All the above have agreed to serve in the capacities indicated. Respectfully submitted on behalf of the **Nominating Committee: Randy Barkhouse, Chair; Pat Farmer; Donna Meagher-Stewart.**

CURAC Representative's Report: April 2014 **Randy Barkhouse**

CURAC, the College and University Retirees Association of Canada is the national umbrella group to which ADRP belongs. In fact ADRP was a founding member of this national group in 2004 and hosted the first national conference. CURAC has member associations from Memorial in Newfoundland to the University of Victoria. ADRP has contributed substantially to CURAC with members serving in several executive offices including President and Treasurer. CURAC has a number of standing committees including one on Pensions, which is chaired by **ADRP member, Paul Huber**. CURAC publishes a newsletter 3-4 times a year which is distributed electronically to member associations for further distribution to their own members, by email or by posting to their association web site.

The annual CURAC Conference each spring is the event at which member delegates are able to share experiences and best practices as well as hear reports on many aspects of life for retirees. This year's annual conference, May 28-30 in Hamilton, co-hosted by the retiree associations of McMaster University and Mohawk College promises to be highly informative.

Notable sessions include:

Shifting Gears: Changing Perceptions About Older Drivers in Canada

Brenda Vrkljan, McMaster University

Fostering Resilient Aging Through Social Participation

Ellen Ryan, McMaster University

Population aging and its economic costs

Byron G. Spencer, McMaster University

Canadian Longitudinal Study on Aging and the Labarge Optimal Aging Initiative

Parminder Raina/Ine Wauben, McMaster University

How Mac researchers developed a leading-edge hearing aid

Sue Becker, McMaster University

Sharing Best Practices

- *Establishing what the membership wants* – Loren Calder & Rose Blackmore, Wildrid Laurier University Retirees Association
- *Succession planning - Identifying and preparing members for Executive positions in the association* - Ihor Stebelsky, Windsor University Retirees' Association
- *The retiree association as facilitator for volunteer opportunities on campus and in the community* – John Lennox, York University Retirees' Association

New developments in university & college support for research and continuing scholarly and professional activities of retirees

Peter Russell, Retired Academics and Librarians of the University of Toronto

Any member of a CURAC association may attend the annual conference. Registration information is available at

<https://conferencereg.mcmaster.ca/conferences/CURAC-2014>

Post or pre-conference possibilities in the Hamilton area include:

- Visit the Royal Botanical Gardens
- Enjoy the Canadian Warplane Heritage Museum
- Tour Dundurn Castle
- Tour the HMCS Haida and Hamilton's Waterfront
- Visit the McMaster Museum of Art
- Explore the Art Gallery of Hamilton

Further details on the conference and on the activities of MURA (McMaster University Retirees Association) are available at <http://mcmaster-retirees.ca/curac2014.html>

MURA itself has some distinctive characteristics. Beginning in 1992, the Association has supported the Gerontology Department by the provision of an annual scholarship for one full-time student and an annual prize for one part-time student. Another distinction is that "... each new retiree automatically becomes a life member on the first day of retirement."

Seniors' College Association of Nova Scotia (SCANS): April 3, 2014
past ADRP Representative: Philip Welch

Readers may recall that SCANS was founded by a small task force established by the ADRP Board in 2007 to explore the possibility of a Seniors' College to provide academic courses for Seniors. SCANS courses have become very popular, as have the SCANS Special Lectures (the Ken Rozee Memorial Lectures): two-hour special presentations of particular interest given by pre-eminent experts in the field. These lectures are free to the general public, but only advertised to SCANS members and members of ADRP, which also provides some financial support for these lectures.

As a further indication of the commonality of interest between the two organisations and their close ties, the original SCANS bylaws included a provision for the ADRP Board to appoint two of their number to the SCANS Board. In 2011, after one of the two then existing ADRP appointees had recommended deletion of the original 2-appointee

provision, a new set of bylaws was adopted at a special SCANS General meeting. The new bylaws specified only one ADRP BoD appointee to be a member of the SCANS BoD.

The value of the close relationship between the two organisations is also demonstrated by the fact that an ADRP appointee on the SCANS Board has been elected to the Presidency of SCANS for four of the six and a half years of its existence.

Given this close association and liaison, it is surprising that only a few hours after his election the newly-elected President of SCANS, Roland Lewis, wrote to the President of the ADRP asking that the ADRP cease from appointing one of its members to the Board of SCANS. His letter claimed that the commonality of interest no longer existed, and that this view was "shared by many of the [SCANS] Board", although the subject had never been discussed at a meeting of the SCANS Board, and his letter was written mere hours after the newly-nominated Board had been elected by the SCANS Members. The SCANS Nominating Committee report had been discussed previously on at least two occasions by the preceding Board, without dissension or comment regarding the ADRP appointee (who also chaired the Nominating Committee). The slate for the 2014-2015 SCANS Board, including the 2013-14 ADRP nominee, was also presented to SCANS members at their AGM - with the assistance of the incoming President! - also with no comment or dissension regarding the existing ADRP representative. However, given that SCANS board members' terms expire at the end of each AGM, the 2013 ADRP appointee could not serve on the 2014 SCANS board until reappointed by the ADRP board, which could not occur until the ADRP's AGM on April 24, 2014.

The letter subsequently sent by the new SCANS President was never brought to the SCANS Board for discussion; nor has it even been copied to them since.

The SCANS BoD has given notice of a Special Resolution to be considered at a Special Meeting of the SCANS membership prior to the SCANS Open House Registration Meeting, to be held 11th April at 1.30 pm at Bloomfield Centre, Agricola Street.

The ADRP Board urges any ADRP members who are also SCANS members, to attend the SCANS meeting on 11th April, and to participate fully in the discussion of this resolution

NOTICES

Linda McQuaig Lecture rescheduled for April 30, 2014:

The DFA-sponsored free public lecture by Linda McQuaig will take place on **Wednesday, April 30, 2014, at 7 p.m. in the Scotiabank Auditorium, Marion McCain Building, 6135 University Avenue.** Her talk, entitled *Profit U: Who controls our universities....and why you should care*, will be the second event in the DFA's Issues in Higher Education Series. Her talk will be followed by a question and answer session and book signing. If you won't be in town, or can't make it, you can follow the evening on Twitter #profitU. Linda McQuaig has written extensively on political and economic issues for the Globe and Mail and MacLean's magazine and has been op-ed columnist at

the Toronto Star since 2002. She is the author of nine books on politics and economics. Her most recent book, co-authored with Neil Brooks, is *The Trouble With Billionaires*.

IN MEMORIAM

We regret to announce the passing of two of our ADRP members. Our condolences go out to their families and friends.

MAY, Ruth Ellen - passed away on February 25, 2014, in Ithaca NY. Born August 22, 1928, in Auburn NY, Dr. May graduated from Wellesley College, and spent many years in the Canadian North as a nurse midwife. A member of the faculty of the Dalhousie School of Nursing for 28 years, Dr. May in 1976 developed its Outpost Nursing Program which produced many graduates who provided safe and efficacious health care in very rural and remote parts of Canada and to remote aboriginal communities. Her inclusion of cross-cultural competence in curricula was rooted in a profound personal respect for the dignity and worth of individuals – both students and recipients of nursing care. For more than three decades, the Outpost Nursing Program at Dalhousie set the standard for preparation of nurses for advanced practice roles and continues today in the current nurse practitioner graduate MN program. When awarded a Doctor of Laws, *honoris causa* from Dalhousie University, Dr. May was lauded for “her influential role in improving the standard of health care in Canada and for her dedication as an outstanding nurse practitioner and educator”. She retired to Ithaca N.Y. in 1994 where she continued her lifelong passions of caring for others, as well as playing the violin in its Community Orchestra. She is survived by daughters, Alison (Trenholm), Margie (Pernell Goodyear); grandchildren, Daniel, Claire, Samuel, Samantha, Lucas, and Jacob.

POTTER-CREIGHTON, Blanche Alden - Aged 81, passed away in Halifax on March 11, 2014. Blanche was the youngest daughter of the late Harry A. Murphy and the late Eleanor (Priest) Murphy and resided in the family home her entire life. She was employed at the Theatre Department of Dalhousie University for 28 years and was an active member of the Dalhousie Staff Association and the NSGEU. Blanche was a long-time member of Brunswick Street United Church, transferring in 1989 to United Memorial Church, and served on many committees. An executive member of the Camping Association of N.S. and the Canadian Camping Association, she directed camps at Camp Brunswick for over 30 years. She was a founding member of the Seniors' College of N.S. (SCANS) and was a founding member as well an executive member of the Association of Dalhousie Retirees and Pensioners, including serving as Co-Editor of the ADRP Newsletter. Blanche is survived by her husband, Thomas Creighton; sons, Jack, Paul (Cathy), and daughter, Brenda. She was loved dearly by her grandchildren, Jay, Tom, Grace, Sean, Mark, and Souix. She is survived by her sister, Edith (Delphis) Roy, and predeceased by sister, Gladys, and grandson, Cree.

Association of Dalhousie Retirees and Pensioners



Room 2831 Life Sciences Centre
 Dalhousie University
 PO BOX 15000
 Halifax, Nova Scotia
 B3H 4R2
 Telephone: (902) 494-7174
 E-Mail: adrp@dal.ca

Membership Application for Payment by Pension Deduction

Employee Number (from your pension stub): B _____

Name _____

Address _____

Postal Code _____

Phone Number: _____ Fax Number: _____

E-mail: _____

Date of Retirement: _____

Dalhousie Department: _____

I request that ADRP monthly dues (\$1.66) be deducted from my pension starting (month and year) _____, and continuing until I inform you otherwise in writing.

 (Signature)

Please return this form to:

Payroll Office
 Room 152, Henry Hicks Academic Administration Building
 Dalhousie University
 PO BOX 15000
 Halifax, N.S. B3H 4R2

The information you provide to us will be used for our records and to allow us to contact you or distribute to you information. Information that identifies you will not be shared with any other organization.

Association of Dalhousie Retirees and Pensioners (ADRP)

Membership

Open to all Retirees from the University staff, Non-Academic and Academic. Associate membership is available to those within 5 years of retirement.

Mission

To facilitate and promote the dissemination of information of interest to Dalhousie Retirees; and

To enhance and promote the sense of continuing membership in the Dalhousie Retirees' family.

Formal Objectives

To represent the interests of retirees from Dalhousie University, their spouses and beneficiaries;

To further the understanding of the retirement pension and benefits;

To cooperate with other groups that have similar objectives; and

To provide a conduit for information, when necessary, between the university and retirees.

Informal Objectives

To promote social interaction among its members;

To investigate and negotiate group benefits that a significant number of members may desire;

To provide information to its members about general and specific retirement issues; and

To pursue other issues as the membership directs.

For Further Information

Visit us at our Web Site: <http://adrp.dal.ca> or phone us at (902) 494-7174. Our E-mail is adrp@dal.ca . Our office is in the basement of the Life Sciences Centre, Room 2831.