

ASSOCIATION OF DALHOUSIE RETIREES AND PENSIONERS

THE NEWSLETTER

VOLUME 3, NUMBER 2, November, 2004

Welcome to the last issue of our Newsletter for 2004. This is timed to issue a special invitation to all members to attend the General Meeting on December 8th. We hope you will find the information on the activities of ADRP and news about our members interesting.

GENERAL MEETING

Date and Time : December 8, 2004, 2 pm

Location: Lord Dalhousie Room, Henry Hicks Building

Agenda: Approval of minutes of Annual General Meeting, April 28, 2004

Business arising

Report of the president

Treasure's report

Committee reports

Other Business

Following the meeting, there will be a Christmas social in the University Club. Each member will receive 1 drink coupon; fruit and cheese trays will be served. We hope that many of you will attend.

PARKING: Attendees of the General Meeting and Christmas social will be able to park without ticketing at the parking lot between the Sir James Dunn building and Howe Hall (enter from Coburg Road at Lord Dalhousie Drive, then turn left to the parking area.)

COMMUNICATIONS COMMITTEE:

Chair Man Vohra writes: I would like to thank Emerson Moffitt and Patricia Lutley for taking over as Newsletter editors and for their dedication and hard work in bringing out this issue. This is much appreciated, especially with Emerson just reaching his 80th year and still very active. We hope he has many more happy years. I also thank Barbara Prime Walker, Chair of our Sharing and Caring Subcommittee for contacting and visiting members who were sick or hospitalized or were coping with unexpected difficult circumstances. I urge members to pass on news about friends and former colleagues that can be shared by other ADRP members.

The Communications Committee also helps to maintain a web site for the ADRP that is updated frequently with new information relating to the activities of the Association either locally or with CURAC nationally. I urge members to visit the web site. I would be happy to receive your feedback about the web site and your suggestions for improving it. The ADRP web site can be accessed at <http://is.dal.ca/~adrp/> . The CURAC site can be accessed via a link on the ADRP page or directly. Thank you all for your support.

SHARING/CARING SUBCOMMITTEE: Barbara Prime Walker, Chair

Barbara believes that a repeat of the Committee's aims and activities is pertinent.

.....SOLICITING HELP FROM ALL MEMBERS.....

Do you know of retirees of Dalhousie University who have had recent events in their lives which warrant recognition from the ADRP membership?

As the new Chair of the Sharing/Caring Subcommittee of the Communications Committee, I request your assistance in helping our committee to keep abreast of individual accomplishments, special occasions, changes in health status or bereavement in the lives of our large and diversified membership. We wish to acknowledge formally all these events through cards, notes and/or personal visits depending upon the circumstances and wishes of the retiree and his/her family. The success and ongoing development of such a program is dependent on each of us sharing pertinent information to ensure that no one is forgotten. Together, I hope that our collaborative efforts will enhance our outreach work to support each other.

Information may be forwarded in the following ways:

Phone: ADRP answering machine (902) 494-7174

Barbara Prime Walker (902) 422-4230

Email: ADRP Office adrp@dal.ca

Chair barbara.primewalker@dal.ca

I look forward to working with you. Thank you in advance for your cooperation.

PENSION COMMITTEE: Paul Huber, Chair

RTF Performance:

According to the still unofficial financial statements of the Retirees Trust Fund, its net assets increased between June 30 2003-2004 by \$21 million to nearly \$173 million. The fund earned in that fiscal year 16.8% after expenses (just over 17% before expenses.) For comparison, the PTF earned 15.08%. This is an excellent result, which ranks the RTF among the top quarter of pension funds for the annual period. For the last few years, performance of "your" fund has consistently been well above average for pension funds in Canada.

Note that the RTF administrative costs are only 0.36% per annum. Compare that with a typical "balanced" mutual fund which has an annual management expense ratio of about 2.4%! Hence the RTF can be expected to outperform balanced mutual fund management by about 2% annually. This is a major reason for thinking twice before you take your money out at retirement: a 2% annual difference cumulated over one's life expectancy of about 20 years at retirement is enough to offset nearly 15% greater value of entitlements invested in RRIF versus being transferred to the RTF.

The one year return of the RTF does not determine whether indexation is warranted; it is the three year average return that drives indexation.. As at June 30, 2004, this was only 5.8% because returns in the two previous fiscal years were much lower than last year: 2.0% and negative 0.7% respectively. Two years ago, the three year average return was insufficient to index pensions fully; one year ago, there was no indexation. The cumulative indexation shortfall is currently about 3.6%. To provide any indexation the RTF three-year average earnings must normally exceed 5.05%. However the current situation is "abnormal." a special Pension Plan rule requires making good any shortfall in three-year average earnings (about -4.3% last year) before indexation resumes.

Implications:

1). Under "normal" circumstances, indexation of 0.794% would be warranted in January 2005. In the actual situation, indexation may again be zero. Inflation was 2.46% in the last year. Thus the overall indexation could increase to 6.05%.

2). Although the overall Dalhousie Pension Plan has a deficit of \$40 million the RTF does enjoy a significant surplus (18.5 million at actuarial values), which is about one-eighth of its net liabilities. The RTF Trustees are permitted, in their discretion, to decide to use some of this surplus to provide a modest amount of indexation in January 2005.

3). The actuary projects returns for the RTF at 7.5% annually. If such results are achieved in the current year, cumulative earnings in excess of the indexation threshold would be almost sufficient to pay off the return shortfall and make it possible to resume indexation in 2007. Returns above the 7.5% average level would accelerate the resumption of full indexation and provide for some "catch-up"; returns below 7.5% would delay it and prevent making good the indexation shortfall.

LIAISON COMMITTEE: Alasdair Sinclair, Chair

Thanks to the work of Man Vohra , the Liaison Committee has been meeting with representatives from local Universities to encourage the formation of retiree associations at their institutions. Also Tarun Ghose and I met with the executive of the Acadia Retirees Association to explore the possibility of forming an association of Nova Scotia University Associations. Among other benefits, such an association would make us eligible to join a group of retiree associations that has a formal linkage with the Senior Citizen's Secretariat of the province, with the possibility of influencing government policy relating to seniors. In that context, a group of Executive Members met with Valerie White of the Senior's Secretariat recently. Among other matters, she suggested that our members could become personally involved in the work of the Secretariat by attending sessions of the Committee on Aging, which was announced recently, and by adding their names to a volunteer list that the Secretariat will be developing. More on these matters will be circulated as we gain more detailed information on them.

Two other items may also be of interest. The Executive recently considered a suggestion that it initiate the formation of a CARP (Canadian Association of Retired People) Local Association to work with CARP at the national level in promoting the interests of seniors. The Executive decided not to undertake this activity at this time, but to make the possibility known to the membership in the event that some members might have an interest in such a project. I can be contacted for further information. Finally, on a personal note, I would like to draw attention to the work of the Canadian Executive Service Organization, which sponsors volunteers to work on short term projects internationally and with local aboriginal groups. CESO is seeking to expand its volunteer base. If you are interested in participating contact Brian Smith, the Director of the local office of CESO at (902)461-9871. I can also provide more information either by email Alasdair.Sinclair@dal.ca or by phone 422-6185.

BENEFITS COMMITTEE: Philip Welch, Chair

Some months ago we received inquiries regarding continuation of the Dalhousie Blue Cross Plan for Retirees when a Family Plan has been selected and a retired staff member dies. On investigation of this matter with the Dalhousie Employee Benefits and Pension Office, we were informed that the entire coverage ceases on the death of the retired member. This information was included in some of the recent literature on benefits provided to retirees, but in the past retirees were not informed of this. Your ADRP representatives checked this point directly with the Dalhousie Blue Cross contract and found coverage is continued for the surviving spouse if he/she continues to receive a Dalhousie Pension and if the appropriate premiums continue to be paid to Blue Cross. This was brought to the attention of the Employee Benefits and Pension Office, who have subsequently confirmed this provision of continuation of coverage for surviving spouses.

As a result of this ADRP initiative, Dalhousie authorities will inform all current retirees with a Blue Cross Family Plan of this coverage proviso. Presumably, any surviving spouses who have had their Blue Cross coverage cancelled on the death of a retired staff member will be offered

immediate reinstatement in the Plan. The situation with regard to those surviving spouses, whose policy was cancelled on death of a spouse and who have subsequently paid bills for covered medical and health services from their own resources is unclear at this time.

Some ADRP members elected to take all their money entitlement out of the Pension Fund at the time of retirement or termination. Therefore, they do not receive a Dalhousie pension. However, many of these individuals were offered the option to continue in the Blue Cross Plan. Continuation of the spousal Blue Cross coverage in the event of the death of the ex-staff member is currently unclear in this situation. The view of the ADRP is that such coverage should continue to be provided, as for those in receipt of a Dalhousie pension. It is expected that this matter will be the subject of further discussion with the University authorities.

Updates re Auto, Home and Travel Insurance: Our Board continues to explore a possible relationship with Meloche Monnex (MM) to provide insurance in these areas to ADRP members (MM already has such an arrangement with Dal Alumni). The Board has some remaining concerns on your behalf, but we hope these can be satisfactorily addressed.

The last Newsletter also briefly mentioned that MM offers Travel Health Insurance with "no age limit and no medical questionnaire." On further exploration, we found that this is not quite accurate. Travel insurance through MM indeed has no age limit and no medical questionnaire - provided the applicant is below age 60. For applicants age 60 and over there is a comprehensive medical questionnaire, which may exclude insurance for expenses relating to pre-existing conditions, or may exclude the applicant from any travel insurance with MM. A more detailed and comparative analysis of the MM Travel Insurance Plan is in progress.

PEOPLE

INTRODUCING MARGARET STOKER

This article is taken from the Northwood Resident Times where Margaret has resided for eight years. Recently the ADRP Board passed a motion that Margaret be made an honorary member of the Association.

The reporter said, "Margaret is a very kind and gentle lady, she welcomed me and shared with the stories of her life."

Born on October 12, 1906, Margaret grew up in Lunenburg. Her father was a blacksmith. She had four brothers in the Bailly family, who were very close. When young, she enjoyed camping with the family on Mason's Island. She also skated in winter and swam in summer.

After finishing school, she worked as a typesetter for two local weekly papers. In June, 1940 she married James Stoker, a janitor at Dalhousie's Arts Building. She soon began her career at Dalhousie, working at the printing press. For the next 29 years, they lived and worked at Dalhousie until James retired in the early seventies. They then moved to Shirley Street and spent time with friends camping and fishing and enjoying their dog, Hardy. She remembers one trip, with two friends, out on her brother's sailboat near Lunenburg. The boat tipped over and all went into the water. Thankfully, they were soon picked up. James passed away in 1975 but Margaret lived in their home until 1996 when she moved to a Northwood apartment. She likes living there; cribbage and bridge are her hobbies. In the past, she traveled to many places on cruises: the Caribbean, Alaska, Scotland and Ireland. How about that for a lady now 98 years young? What a happy life! We are delighted to have her as an Honorary Member.

RECENT APPOINTMENT

Dr. Rowland J. Smith, former Dean of The Faculty of Arts and Sciences and a former Chair of the Department of English has accepted the position of Dean of Humanities at the University of Calgary.

DISTINGUISHED AWARDS

Ron Gilkie: The last issue of the Dalhousie Alumni Magazine announced that Ron Gilkie received the A. Gorgon Archibald Award, that recognizes alumni for outstanding personal service, commitment and contribution to Dalhousie. Ron Gilkie began engineering studies in 1956, graduating with a Bsc. And DEng. In 1960. He graduated from Civil Engineering at NSTC in 1962. He completed a master of Engineering degree at Tech followed by a PhD from the University of London in 1967. Ron spent over 35 years as a dedicated staff member and volunteer. He took early retirement as a full professor in 1994. Ron continues to teach in the Civil Engineering Department as an adjunct professor. He served as a member of the TUNS Alumni Association from 1980-1984 and also as its President.

Norman Horrocks: Professor Horrocks, Director of the School of Library and Information Studies (SLIS), 1972-1986, Dean of the Faculty of Management (1983-1986) and currently Emeritus Professor, SLIS has received three awards in recent months.

To mark the 30th anniversary of the Nova Scotia Library Association in 1974 , the Association has established the Norman Horrocks Library Leadership Award. A founder of the Association, he was elected an Honorary Member in 1990.

The American Library Association has bestowed on Norman its highest honour, Honorary Membership, "in recognition of his contributions as a library educator." This honour was first given in 1879. Norman is the second Canadian to receive it.

The Professor Kaula Endowment for Library and Information Science has selected Norman to be the 22nd recipient of the International Kaula Gold Medal and Citation. This award was established in India in 1975 and honours a person who has distinguished himself or herself as a librarian, documentalist, or teacher of library and information science. Previous recipients have come from 13 different countries and this is the second time a Canadian has won the award.

Norman resigned from Dalhousie in 1986 to take a position with a publishing company in the United States. He is a member of ADRP - Great!

IN MEMORIAM

Dr. John Szerb

John passed away on July 20, 2004. He was born in Budapest and received his MD in Munich. He joined Pharmacology at Dalhousie in 1951. John was head of Physiology and Biophysics from 1965 to 1977. John taught generations of medical students and had an outstanding and long career in research of the central nervous system. Medicine misses him..

Gerta Josenhans

Gerta came to Dalhousie in 1958 with her husband Bill and four children. She became a dedicated and honoured teacher in the German Department and the German Heritage Language School. The Canadian Federation of University Women was an important part of her life. Gerta died on August 16, 2004. Our sincere sympathy to her family.

Lawrence T. Hancock

Lawrence passed away on September 5, 2004. He was the first full time director of Social Work and held that post from 1949 until his retirement in 1973. In 1989 Lawrence received an Honorary Doctor of Laws from Dalhousie. He was active in Nova Scotian and Canadian social work associations. Our great sympathy to his family.

Derek Mann

Derek died peacefully on September 9 surrounded by his family. He was born in Durham, England and came to Halifax in 1959. After a time as editor of a local newspaper, he became Director of Information and Relations at Dalhousie. A warm outgoing person, he touched many lives. Sincere sympathy to his family.

GENERAL INTEREST

Death and Taxes: submitted by Bob Rodger

It was Ben Franklin who said, "In this world nothing can be said to be certain, except death and taxes." one should therefore plan to deal with these inevitabilities.

If you have a spouse, it is usually desirable to ensure that your assets (home, cottage, car, bank accounts, mutual funds, equities, bonds, etc.) are owned jointly with your spouse. Because the Canada Revenue Agency (CRA) attributes financial assets to the person from whom they come, you need finance/tax advice as to how to convert singly-owned assets to jointly-owned. Also if you have a Registered Retirement Income Fund (RRIF) or a Locked-in Retirement Account (LIRA), you should ensure that your spouse is named as beneficiary.

The above joint registration and beneficiary naming not only simplifies the financial situation of the surviving spouse, it also avoids taxes (probate as well as federal and provincial income tax).

Of course, if one has assets that will be left, one should have a Will. In spite of there being do-it-yourself Will packages, I believe it is very desirable to hire a lawyer experienced in these things to help prepare one's Will. In a Will you not only say how your assets must be distributed after your death, you also name an executor, hence YOU determine who's to administer your estate rather than some stranger appointed by the government.

When there is no spouse, all of your assets are usually taxed on your death. But there is something we can do to soften that final snatch.

On death, your real estate is valued and income tax is then due on the capital gain. The same is true for your moveable property. Your unregistered mutual funds, equities, bonds, etc. are also valued at death and tax is due, not compared to what these things cost, but on their Adjusted Cost Base as of 31 December of the previous year, i.e. their value as increased over the years due to dividends etc. on which tax had already been paid. This tax due will not therefore be inconsistent with what you had to pay on these financial assets while you were alive.

But the taxation of RRIFs/LIRAs is quite another matter. The value of these at death is compared to zero because you paid no tax on these monies (apart from tax on your withdrawals) while you were alive!. The tax here can be quite substantial. For example, if your usual annual income had been \$30,000 and you have a RRIF/LIRA worth \$100,000 the tax due (depending on deductions) would be about \$50,000. If your usual annual income had been \$50,000 and you have a RRIF/LIRA worth \$150,000 the tax due (depending on deductions) would be about \$81,000. The same heavy tax applies to monies from an unexpired pension guarantee period, and from a term-certain annuity you bought with money in the old Dalhousie Employee Benefit Plan.

But this huge tax burden is not inevitable (Ben or no Ben Franklin). If your Will donates the whole of your RRIF/LIRA to a charity (such as Dalhousie University), the tax due on the above two examples is about \$2,500 and \$10,500 respectively. The 'savings' of about \$47,500 and \$70,500

respectively are part of your charitable contribution of \$100,000 and \$150,000 respectively; but aided by the charity-favourable rules of CRA! By donating RRIF/LIRA etc. to charity in your Will, YOU, rather than the government, are deciding how the money will be used. Tax amounts for some other incomes and RRIF/LIRAs are available from me - Bob Rodger.

All of this being true, I think it would be a great idea to set up an ADRP-Dalhousie Bursary Fund, that those of you who are interested could contribute RRIF/LIRA monies to (or other assets if you wished, by Will or otherwise), and that would have terms that the interested ADRP Members would agree upon.

Without asking any of you for any commitment, I would welcome comments and suggestions from those of you interested in this idea (email to swann@eastlink.ca). For example, I think many of us agree that Dalhousie University fees are now extremely high and we ex-Dalhousians should consider helping students who need it, if we can. Also I think getting started may be the hardest thing for a potential student who is not too well-off; so maybe the bursaries should only be for undergraduate or beginning undergraduate study. Having decided what we want, we could set up the terms of the fund (in consultation with Dalhousie) to ensure that our bequests (and donations) are not eroded by inflation, and that they are used in a manner we specify. What ideas do you have?

Do you know about MASTERMINDS?

MASTERMINDS was organized by Shawna Burgess, Director of Alumni Relations, in 2003 with these goals: 1. To offer an unique program for retired alumni and friends; 2. To develop and enhance Dalhousie's relationship with this key constituency; 3. To enhance Dalhousie's image in the community; 4. To promote the ambassadorial role for retired alumni, faculty, staff, and friends; 5. To showcase Dalhousie teaching and research; and 6. To have fun.

We are pleased to tell you that the next MASTERMIND lecture will be on Friday, February 4, 2005 at 10:30 AM in the Ondaatje Hall, McCain Building. The guest speaker will be Dr. Reid Morden, A Dal BA and Honorary Degree recipient in 2003. Dr. Morden is a former Deputy Minister of Foreign Affairs and International Trade; former Director of CSIS and CEO of Atomic Energy of Canada. His talk will be either on "Canadian Security - post 9/11" or "Failure of Sanctions to Address the Challenge of Rogue States." Come along to hear a distinguished speaker on a timely topic.

MASTERMINDS and ADRP working together bodes well for the future!

FINALLY: That's all for this issue of your Newsletter except to invite you once again to join us on December 8th for the General Meeting and the pre-Christmas social gathering.
Happy Holidays and all the best for 2005.

The editors gratefully acknowledge Diane Prosser for all her assistance.

Emerson Moffitt and Patricia Lutley, Editors

