



Newsletter/Bulletin

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NOTE TO READERS:

A special supplement to this edition of the CURAC newsletter containing an important comparison of Canadian Health Care with health care systems in other countries by Marilyn Bowman of Simon Fraser University will be sent separately. Check www.curac.ca also.

THE CURAC PRESIDENT'S MESSAGE—JOHN MEYER (WINDSOR)



As we move into autumn, I share with our many delegates memories of our seventh AGM and Conference at the Université de Moncton last May. The ambience - food, entertainment, fellowship - was outstanding, and the presentations comprehensive and provocative. We congratulate the local committee on its volunteers, leadership, and participation, especially since a new standard for CURAC conference attendance was established. You'll find another conference report elsewhere in this Newsletter. Now we move onward to even greater heights at York University, May 18-20, 2010. Please mark your calendars!

HERE ARE SOME ISSUES YOUR CURAC EXECUTIVE IS PRESENTLY PURSUING:

1. **Pension issues continue to challenge us.** Paul Huber (Dalhousie) and Howard Fink (Concordia) on behalf of the CURAC pension portfolio responded quickly to the Quebec government pension review. They presented a submission and were witnesses at a hearing in Quebec City in August. The CURAC member associations in Quebec, particularly Concordia and Bishop's, are troubled and challenged by elimination of indexation (Bishop's University) or attempts to reduce or eliminate benefits (Concordia). See the report from Bishop's on page 5. These events remind us that strong ties to local faculty associations, unions, and administrations play the most crucial roles in the protection of these hard-earned benefits. CURAC believes that collaboration in these stakeholder organizations should promote the mutual welfare of existing retirees AND future academic and staff retirees. Self-interest often prevails but awareness of mutual interests is much more beneficial.
2. **Communications with our member associations are very important.** Joan Cunnington (CURAC Board and OCRA) is working diligently to produce our newsletters, and Tom Poiker (Simon Fraser) and team will explore ways for effective means of communication, with stellar advice from Ken Rea (Toronto).
3. **Minor reorganization of leadership and structure.** Since "committees" have frequently consisted of one person, instead we now have "portfolios" led by one person who functions as a "coordinator."

These persons are encouraged seek the collaboration of others; some will also function as provincial or regional leaders. Thus we hope to improve coverage in areas of concern and connections within a province. Here are the portfolios and the volunteers in these leadership roles:

- Secretariat/webmaster: George Brandie (CURAC Board, Queen's)
- Communications: Tom Poiker (Simon Fraser); Joan Cunnington (CURAC Board and Newsletter Editor, Ontario Colleges Retirees' Association - OCRA)
- Professional Affairs: Peter Russell (Toronto), David Lubell (CURAC Board, Waterloo)
- Conferences, Best Practices, British Columbia region: John Stager (CURAC Vice President, University of British Columbia)
- Pensions: Paul Huber (Dalhousie), Howard Fink (Concordia)
- Health Benefits: Doug Creelman (Toronto)
- Nominations: Tarun Ghose (CURAC Past President, Dalhousie)
- AGM/2010 Conference at York University: Sandra Pyke (CURAC Board, York), Nancy Accinelli and Alex Murray (both York).
- Atlantic Provinces: Francis Weil (CURAC Board, Moncton) and Evan Simpson (Memorial)
- Manitoba: Lois Brockman (Manitoba)
- Saskatchewan: Jack Boan (CURAC Board, Regina)
- Alberta: June Panteluk (CURAC Board, Alberta)
- Québec: Howard Fink (Concordia), Thérèse Leduc (CURAC Board, FRUQ - Fédération des retraités de l'Université du Québec), Roch Menard (Montréal)

4. *Enrichment of our established partnerships:*

- CAUT (Canadian Association of University Teachers) agreed in May to collaborate in several areas. I am pursuing the implementation of these joint efforts.
- CARP (The Canadian Association of Retired Persons) has recently granted us a "group" discount for membership and the *Zoomer* magazine. I look forward to joining in advocacy ventures where mutually agreeable.
- Peter Russell and David Lubell are working to ensure the research grant applications from retirees are properly considered by the granting Councils/Agencies. David also works with our partner, Academics for Higher Education and Development (AHED/UPESD).
- As your representative, I am in contact with the Association of Retirement Organizations in Higher Education (AROHE) in the USA. Their bi-annual AGM/Conference will be held October 14-17, 2010 at the Wasch Center for Retired Faculty, Wesleyan University, Middletown, Connecticut.

PLEASE USE THE WEBSITE www.curac.ca FOR PERSONAL CONTACT TO THE SECRETARY OR ANY OF THE BOARD MEMBERS OR COORDINATORS TO COMMUNICATE YOUR CONCERNS. WE REALLY WANT TO HEAR FROM YOU!

JOHN MEYER, CURAC PRESIDENT

W E L C O M E !

New CURAC members: **Association of Bishop's University Retirees**, Sherbrooke, Québec

Retirees Association of Lakehead University, Thunder Bay, Ontario

We hope your members will enjoy the benefits of belonging to the national association for the retirees of institutions of post-secondary and higher education.

CURAC/ARUCC CONFERENCES

2009 Conference and AGM, by Marianne van der Wel
(marianne@mcmaster.ca)



I had the privilege of attending the 2009 CURAC/ARUCC Annual Conference and AGM in Moncton, New Brunswick, May 20-22. The weather was beautiful, the people very friendly and I loved Moncton's French-English bi-lingualism. I learned so much in a short time.

Did you know that laughing is good for one's health! Our "Laughter" workshop leader had us in stitches for no particular reason except it felt good! The Tai Chi demonstrations were intriguing. I learned that we are very fortunate to be pensioners in the public sector as our retirement is a lot more secure than that of our colleagues in the private sector. I learned the importance of staying as active as possible for as long as possible, and I never knew lobsters (our banquet dinner) could be so large. At night, I even got to see the observatory at Université de Moncton!

We elected a new Board and John Meyer from the University of Windsor is now our President. I am a member of the CURAC/ARUCC communications committee. The committee has a new leader, Tom Poiker, from Simon Fraser University, and the committee promises to be very active this coming year.

I have 10 pages of recollections I can make available to anyone who is interested. Also you can see a slideshow of the conference at:

<http://mura.mcmaster.ca/Pages/slides.curac.arucc.2009.html>

**CURAC/ARUCC
2010
@ YORK
18-20/05/2010**

YORK CONFERENCE LOCAL ORGANIZING COMMITTEE UPDATE

by Albert Tucker

The CURAC/ARUCC 2010 conference will be held at York University in Toronto on May 18-20, 2010. (Tuesday to Thursday, before the Victoria Day holiday weekend.)

The local organizing committee is hard at work planning the many details of what promises to be a memorable conference. There will be a welcoming evening reception on Tuesday, May 18, and the main conference follows on Wednesday and Thursday, May 19 and 20. The co-hosts of the conference are the York University Retirees' Association (YURA) and the Association of Retired Faculty and Librarians (ARFL).

The theme of the conference is "Pensions, Benefits --- and Beyond". In addition to sessions on pensions and benefits, there will be a focus on further ways in which retired faculty and staff do, can and wish to maintain connections with their home university or college. Invitations to prominent speakers who can speak from their experience at the provincial or national level and stimulate debate are also being considered. And once again it is hoped to have representatives

participating from the Association of Retirement Organizations in Higher Education in the U.S. **If your association has undertaken an outreach project such as involvement in a community organization or a unique contribution to your own or another institution, please get in touch with the program chair, Alex Murray, <mailto:amurray@yorkyu.ca> Alex would like to hear about your group's experience; it might become a program item at the conference to inspire other CURAC members to keep active and stay involved!**

Accommodation will be arranged so that participants can choose between comfortable lodging on campus within easy walking distance of the main conference room and eating facilities, or at a nearby suburban hotel. The campus is located a short distance from Pearson airport with buses and taxis connecting to the university. From the main railway and bus stations downtown, the subway provides efficient transportation to the campus.

Greater detail on the conference sessions, travel and accommodation will appear in the formal notice of the program to be posted on the CURAC website early in April, 2010. In the meantime, questions can be directed by e-mail to <mailto:yura@yorku.ca>

Delegates to the conference may wish to take advantage of the long weekend following to explore the sights and sounds of Toronto, one of Canada's most culturally diverse cities.



The Ontario Colleges Retirees' Association is holding its (annual) general meeting on Thursday, October 29, 2009, at Fleming College, 599 Brealey Drive, Peterborough, ON, from 10 a.m. to 3 p.m. The keynote speaker is Derek Dobson, recently appointed CEO of the CAAT (Ontario Colleges) Pension Plan. For more information, please visit www.ocraretirees.ca

Ed. note: Because of unforeseen difficulties, this event will be history by the time you read this. However, you'll be able to read all about the OCRA general meeting in the next issue of the CURAC newsletter.

CURAC/ARUCC PARTNERSHIPS

As a result of several CURAC/ARUCC initiatives, the offers listed below are available to all members of CURAC/ARUCC associations. Full details can be found on the CURAC website at www.curac.ca

LRC **Literary Review Canada** Retirees belonging to CURAC/ARUCC member associations may subscribe to the Literary Review Canada at a special reduced rate. Please visit www.curac.ca for more details.

CARP (**Canadian Association of Retired Persons**) CURAC/ARUCC is joining with CARP to offer CURAC/ARUCC members reduced membership/subscription fees for CARP and to collaborate on matters of mutual interest. Please check the details at www.curac.ca

AHED/UPESED (**Academics for Higher Education and Development**) CURAC/ARUCC is collaborating with AHED/UPESED to publicize opportunities for academic retirees to serve in development projects overseas. Go to www.curac.ca to find out more!

Waterloo Insurance CURAC/ARUCC is joining with Waterloo Insurance to offer home and auto insurance to retirees belonging to our member associations. Please click on www.curac.ca for more details.

CAUT/ACPPU **Canadian Association of University Teachers** has agreed to collaborate with CURAC in several mutual areas. More information will be announced later.

LOSS OF INDEXATION AT BISHOP'S UNIVERSITY

by Courtice Rose, President

Association of Bishop's University Retirees

On August 26, 2009, the Pension Committee at Bishop's University in Sherbrooke, Quebec, accepted an amendment to the pension plan that eliminates pension indexation for all retirees of the University for a six-year period beginning July 1, 2010. Despite the protests of the newly-formed Association of Bishop's University Retirees (ABUR), the faculty union, along with the staff and librarians' units, agreed to a plan to reduce the deficit in the pension fund not only by increasing contributions for the regular members but also by terminating indexation entirely for the retired members. Pensioners were shocked that the union would sign such an agreement since they had always regarded the union as trusted defenders of their traditional post-retirement benefits.

The pension plan at Bishop's has been in existence since July of 1961. Initially the plan did not provide inflation indexing for retirees, but since 1987 the Union of Professors of Bishop's University (APBU) has negotiated indexation as part of all successive collective agreements. Unfortunately, the recent stock market meltdown combined with past "contribution holidays" taken by the University and higher costs associated with new early retirement schemes have created a considerable deficit in the pension fund. For its part, the University seems to find money for increased executive salaries, executive pensions and various expensive capital projects, but cannot recognize the long service of its former employees with even partial indexation of their pensions.

The University and the Union have signed a memorandum of agreement which, among other things, eliminates pension indexation for six years. In effect, it appears that the University managed to convince the Union that the financial situation of the university and the pension funds was so dire that there was no choice but to agree to the termination of indexation. Most distressing was the fact that the University and the Union put this option together last winter without informing or formally consulting the retirees. In April, even after the new retirees' association proposed an alternative indexation level, there was no movement from the "no indexation at all" solution. Further complication has now been introduced by some conditions which must be met before indexation can resume, but the vagueness and apparently flexibility of these conditions make it virtually certain that pension indexation is a non-issue for the next six years.

In response to these developments, the association is now exploring new models for pension indexation and hoping for suggestions and moral support from other retiree associations across the Canadian college and university network.

Contact information can be found at the end of the next article.

PERTE DE L'INDEXATION À L'UNIVERSITÉ BISHOP'S

Translation of original text by Gwendolyn Trottein

Le 26 août 2009 le comité des pensions de l'Université Bishop's de Sherbrooke (Québec) a accepté un amendement au plan de pension qui élimine l'indexation pour toute personne retraitée de l'université pendant une période de six ans à compter du 1er juillet 2010. Malgré les protestations de la toute nouvelle Association des Retraités de l'Université Bishop's (ABUR), le syndicat des professeurs ainsi que ceux des employés et des bibliothécaires ont donné leur accord à un plan réduisant le déficit du fonds de pension non seulement par l'augmentation des cotisations des membres actifs, mais aussi par la cessation complète de l'indexation pour les membres retraités. Les retraités ont été surpris et choqués par la signature d'un tel accord, car ils avaient toujours considéré le Syndicat comme le fidèle défenseur de leurs prestations traditionnelles d'après-retraite.

Le plan de pension de Bishop's existe depuis juillet 1961. Au début, ce plan ne prévoyait aucune indexation contre l'inflation, mais depuis 1987 le syndicat des professeurs de Bishop's (APBU) a

négocié une indexation comme faisant partie intégrante de toute Convention Collective subséquente. Malheureusement, l'effondrement récent de la bourse en combinaison avec les « congés de cotisation » pris dans le passé par l'Université et l'augmentation des coûts due aux nouvelles formules de retraite anticipée ont créé un déficit considérable du fonds de pension. L'Université semble pour sa part capable de trouver de l'argent pour augmenter les salaires et pensions de ses administrateurs ainsi que pour divers projets requérant des investissements coûteux, sans toutefois pouvoir marquer sa reconnaissance pour le long dévouement de ses anciens employés par une indexation même partielle de leur pensions. L'Université et le Syndicat ont signé un mémorandum d'accord, qui, entre autres, élimine l'indexation des pensions pendant six ans. De fait l'Université a réussi à convaincre le Syndicat que la situation financière de l'institution et du fonds de pension était si grave qu'il n'y avait pas d'autre choix que d'accepter la fin de l'indexation. Encore plus affligeant est le fait que l'Université and le Syndicat sont arrivés à cette solution l'hiver dernier sans informer ou consulter formellement les retraités. Au mois d'avril, même après que la nouvelle Association des Retraités eut proposé un niveau d'indexation alternatif, il n'y a eu aucune remise en question de la solution « sans indexation ». Une complication supplémentaire a maintenant été introduite sous la forme de quatre conditions nécessaires pour que l'indexation reprenne, mais le flou et la flexibilité apparente de ces conditions rend presque certaine la mise au rancart de l'indexation des pensions pour les six ans à venir.

En réponse à ces développements, l'ABUR explore maintenant de nouveaux modèles pour l'indexation des pensions en espérant recevoir l'appui et les suggestions d'autres associations de retraités à travers le réseau des universités et collèges canadiennes.

Courtice Rose will be happy to receive messages of moral support and/or suggestions in either official language at <mailto:cerose@videotron.ca> or at 79 Academy St., Sherbrooke, QC J1M 1R5

ACADEMIC RETIREE CENTRE OPENS AT UNIVERSITY OF TORONTO

By Ken Rea (Toronto)

Three years in the making, the new University of Toronto Academic Retiree Centre was officially opened on October 1 at 256 McCaul Street on the St. George campus. The centre is the product of the negotiations between the University and the Faculty Association which also included the



abolition of mandatory retirement. It is housed in nicely-renovated space comprising a well-furnished lounge with a small kitchenette, an adjoining study area equipped with eight carrels, each with its own high-speed internet connection, and two offices, one for RALUT (Retired Academics and Librarians at the University of Toronto) and one for the Executive Director of the Academic Retiree Centre itself. The Centre is administered by a Board chaired by Edith Hillan, Vice-Provost, and co-chaired by Peter Russell (the speaker in the photograph). The Executive Director is a half-time employee of the Provost's office. The centre is available to serve all academic retirees of the University. It also provides administrative support for Senior College, a non-teaching college made up of self-elected retired Fellows who wish to participate in a

range of scholarly and social activities. The College is managed by a Council elected by the Fellows. Peter Russell is serving as President of the College and Cornelia Baines is Vice President. More information is available on the web at: <http://www.faculty.utoronto.ca/arc.htm>.

CURAC Submission to the Secrétariat of the Québec Commission des affaires sociales - A Report and a Summary

by Paul Huber (Dalhousie) and Howard Fink (Concordia)

I. Report

Last summer, the Québec Commission des affaires sociales invited reactions to proposals to alter the Québec Pension Plan [QPP]. These proposals were presented in a working paper of the Régie des Rentes (Québec Pension Agency), "Toward a Stronger and Fairer Québec Pension Plan" [TSFQPP]. CURAC's Pension Committee responded on August 14, and two weeks later, the Commission invited the committee to make a presentation in Quebec City on September 3, 2009. On that day, Professors Paul Huber (CURAC Pension Committee Coordinator) and Howard Fink (CURAC Pension Committee member) appeared before the Commissioners on behalf of CURAC.

At the hearing in the elegant Salle Hippolyte-Fontaine, Professor Fink began the presentation by describing CURAC, its purposes, composition, and large Quebec representation. Professor Huber then elaborated on key points in the CURAC brief. The Hon. Sam Hadad, Minister of Social Affairs, led the questioning, followed by several others of the roughly twenty members of the Commission. Some questions sought clarification, others took issue or made political points. Those present were well-prepared, focussed and friendly. Professor Huber responded to one of the Minister's questions by suggesting closer co-operation between the QPP and the CPP (Canada Pension Plan) so as to reduce QPP costs -- which generated a strong reaction. *They accorded us roughly twenty minutes' extra time.*

II. Summary

1. Funding of both the Québec Pension Plan and the Canada Pension Plan concern us. Requirements for pension funding arise from:

- pension promises already earned (which may be in the process of payment);
- on-going investment performance of accumulated pension contributions;
- contribution levels of current employees and employers; and
- the extent of new, and as yet unearned, promises.

Ideally, minor reductions in pension promises being earned and minor contribution increases would offset funding shortfalls arising from unexpected contingencies. Subsequently, when surpluses replace shortfalls, these changes could be reversed. Such an approach burdens current employees and their families, leaving entitlements of beneficiaries untouched. However, a major shortfall could unfairly distribute burdens between generations, weakening intergenerational solidarity. A trade-off must prevail between intergenerational solidarity and excessive burden on current employees.

2. In early 2008, the QPP appeared underfunded. Since then, the QPP reserve fund has suffered significant losses, so underfunding has likely worsened. Sources of underfunding include:

- a relatively small QPP reserve fund;
- a more rapidly aging demographic in Québec;
- generous QPP disability and survivor benefits;
- lower effective contribution rates, arising from lower Québec salaries; and
- retirement about two years earlier on average in Québec.

2.1. The Act respecting the Québec Pension Plan requires an actuarial analysis at December 31, 2009. A noticeably worse result than in the last review would imply stronger changes to relieve funding stress than those proposed.

- 2.2. According to TSFQPP, "the QPP and the CPP have always respected their agreements to ensure the transferability of benefits for dual contributors." ". . . Key parameters that should not differ between the QPP and the CPP [include] . . .
- insurable earnings: earnings up to the maximum pensionable earnings;
 - income replacement rate: 25% for the retirement pension;
 - normal retirement age: 65."

An implication of this tacit consensus: Neither Québec nor the ROC (rest of Canada) can alter these parameters without the other doing virtually the same.

3. We support Québec's actions to eliminate disincentives to phased retirement. These will help check or reverse the downward trend of the ratio of active to retirement years. "To allow a worker to apply for a retirement pension . . . even if he or she continues to work" [TSFQPP, p. 29] would add flexibility to the retirement decision.

3.1. We agree that basing the retirement pension on the best 40 years of earnings, regardless of the beneficiary's age when the pension starts [TSFQPP, p. 30] would slightly reduce existing incentives to early retirement.

3.2. The proposal to increase the actuarial augmentation factor applicable to delayed retirement from 6.0% to 8.4% per annum from age 65 up to age 70 troubles us. Prudence suggests less generosity. A plan with a funding problem can ill afford expensive new subsidies, particularly if these attract more retirees.

3.3. The proposal to supplement a pension in pay by 0.5% of the new contributory earnings of someone who returns to work after retiring is more generous for those aged 60-69 than existing CPP rules, where the employee's CPP contributions are simply returned. But it captures for the QPP reserve fund much of the employer's matching contribution, so is actuarially unfair to employed seniors. For an underfunded QPP, this may be defensible. However, as the funding level improves, we hope that the QPP will be able to increase the proposed 0.5% supplement.

3.4. We favour greater consistency of treatment of Québécois who are in like circumstances, hence broadly agree with the proposals regarding disability, particularly for the age bracket 60 to 64. However, we respectfully disagree with the Régie's argument against increasing the QPP retirement age.

4. We generally agree with proposals on survivors' benefits, but caution that basing these on average circumstances ignores unusual and uncommon situations. If "the large majority of future surviving spouses" continue to be protected [TSFQPP, p. 43], what about the small minority? Must they fend for themselves? Fair and equitable, not merely average policies should be implemented.

5. Because several provinces and the Federal government are already discussing possible CPP supplements or amendments, this is a favourable time to modernize the QPP. Four desirable modifications to the QPP (and CPP) should be considered:

- increase the insured level of earnings above the average industrial wage;
- gradually increment income replacement from 25% to perhaps twice that level;
- increase the normal retirement age gradually from age 65; and
- index existing and future pensions in part based on investment returns of the QPP reserve fund.

As an interested player, faced by similar challenges and constraints, the Government of Québec should open communication with those already involved in these interprovincial discussions.

- 5.1. Inadequate pension coverage is the overriding issue. People are living longer, but large numbers of Canadians and Québécois enjoy little pension income except via OAS/GIS (Old Age Security/Guaranteed Income Supplement) and CPP/QPP. Setting a new maximum pensionable earnings level at, say, 1.5 times the Canadian average industrial wage would help reduce the coverage gap. But even more coverage would follow from increasing the QPP replacement rate above 25%. Since many private pension plans are integrated with CPP/QPP, no cost increase for sponsors or members of these plans would arise from extending QPP. Instead, a welcome reduction of risk would be experienced.

Increases in the normal QPP retirement age by 1.0 to 1.5 months per year commencing 2012 would gradually raise actuarial reduction factors for retirements at ages below 65 and lower actuarial augmentation factors for retirements above age 67. This would improve the QPP's funding situation and encourage continued attachment to the labour force.

- 5.2 Some private-sector pensions index payments based in part on investment returns. Properly structured, this can permit partial or total catch-up of "missing" CPI indexation when investment returns recover. A major advantage of this sort of arrangement is that it helps maintain intergenerational solidarity. QPP should give this option serious consideration.

Please visit www.curac.ca to read the full text of the submission by Paul Huber and Howard Fink on behalf of the CURAC and the CURAC Pension Committee.

Letter FROM the Editor

(to borrow an idea from Edward Greenspon, former editor of *The Globe & Mail*)

As stated so eloquently by Ken Rea, the creator and first editor of the CURAC newsletter: "HELP! This Newsletter is produced at almost zero cost by volunteers. The zero cost arises, of course, from our electronic-only publication strategy. Its success depends entirely on the ability of local member organizations to re-send this material to their members by whatever means they can. For some this might mean extracting articles and including them in your own local newsletters. You are free to do this – permission to reproduce is granted. If you have any suggestions to make this work better, please let us know. We crave feedback!"

I would like to thank all the authors, Communications Coordinator Tom Poiker (SFU), Marianne van der Wel (McMaster) and George Brandie (Queen's) for their eagle-eyed proofreading help, and others for their assistance in producing Issue No. 6, my first newsletter as editor. Please get in touch with me if you have an idea for a future article, or if you would like to send a letter **TO** the editor for the next issue.

The next issue? Probably in the late winter/early spring of 2010, depending upon the availability of suitable material!

Joan Cunningham

Editor, <mailto:toby339@sympatico.ca>

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