



BULLETIN

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OCRA is an organization that advocates for its members on issues of concern to community college retirees

THE OCRA PENSION CALCULATOR

By Joan Cunnington

The response to the OCRA Pension Calculator has been very good. Notice of the availability of the calculator was sent to members who normally receive the OCRA newsletter by email, and almost 200 requests have been received and answered. The calculator was initially offered to current OCRA members only, but new or lapsed members were able to receive the calculator upon receipt of their membership fee and application form. Microsoft Excel must be installed on the computer in order to use the OCRA Pension Calculator.

The calculator shows the effect of the ending of pension indexation in 2015 for retirees with pre-1992 service. The calculator provides three pension scenarios based on indexation rates of 3%, 5%, and 7%.^{*} Even in the 3% scenario, the loss of potential income gives cause for serious concern. The calculator also clearly shows how a pension with no indexation compares with an indexed pension - in my case, a difference of several thousands of dollars over a ten-year period. The difference may seem small initially, but over the years it builds up. Derek Dobson, CEO of the CAAT Pension Plan has said "when the Plan is in a financial position to do so it will look at granting more ad hoc inflation protection increases on pre-1992 service." However, the March 2011 issue of the CAAT Pension Plan Newsletter also states that "Financial projections now show that the Plan will not be in a position to make ad hoc increases on the portion of pensions based on pre-1992 service beyond 2014."

By now every pensioner should have received the official word from the CAAT Plan in its latest newsletter about the report of the Funding Review Committee and the decision to discontinue indexing on pensions based on pre-1992 service. If you haven't read the newsletter yet, it's important that you read it immediately and become cognizant of the changes that will happen to your pension. Pensioners with pre-1992 service should start immediately to plan for alternative sources of income after the loss of indexation from 2015 onwards.

The calculator is still available to current OCRA members who send a request to me at communications@ocraretirees.ca. Non-members can receive the calculator upon payment of the OCRA membership fee (\$10) and completion of the membership form available on the OCRA website at:

http://www.ocraretirees.ca/pdf%20files/002_application_forms/06a%20application%20form%20updated%2019-4-2011.pdf

OCRA would like to thank Peter Kanitz (Seneca) and Rod Rork (Humber) for their work in producing the pension calculator.

^{*}Examples of the effect of de-indexation on 2014 pensions of \$20,000, \$40,000, and \$60,000 can be found on the OCRA website: www.ocraretirees.ca - click on "Recent Updates."