



"The Voice for Ontario CAAT Retirees"

www.ocraretirees.ca

NEWSLETTER

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

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"The Voice for Ontario CAAT Retirees"

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FROM THE PRESIDENT

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Best wishes from OCRA for a healthy and happy 2012!

New Board members

Welcome to new Board members Patti Stoll (Seneca) and Ian Skaith (Fanshawe). They were elected at the OCRA General Meeting November 2, 2011, hosted by Humber College.

Annual Review Questionnaire

2012 will be another busy year for OCRA as we move forward with issues and concerns that you have identified in the 2011 Annual Review Questionnaire. OCRA was pleased that retirees from 20 of the 24 colleges responded. Thank you! The Board has done a preliminary review of the replies and will be identifying key priorities at our next meeting.

Loss of pension indexing

As you know by now, the CAAT Pension Plan has accepted a recommendation from its Funding Review Committee that pension indexation ceases on December 31, 2014, for retirees who have years of service in the time frame prior to 1992.

In spite of the hundreds of retiree emails, letters and phone calls, the Plan has said it will not continue indexation for the pre-1992 service years. The indexation increase over the years has always been ad hoc. The Plan says, "future granting of inflation protection on this service will depend on the Plan's funding position."

For your information – the CAAT Plan 2012 indexation rate is 2.14%. The increase will be applied to your entire pension and your bridge benefit if you are receiving one. Once an inflation protection increase is applied to your pension, it becomes a permanent part of your pension. (Please click on the link below: <http://www.caatpension.on.ca/en/pensioners/inflation-protection>)

Stakeholders Symposium

In October 2011, 16 representatives from Colleges Ontario, OCASA, OSPEU and OCRA were invited to a symposium hosted by the CAAT Plan. Topics on the agenda were issues OCRA has been addressing this past year: funding priorities, pension advisory committees, additional voluntary contributions to pensions, pension payment dates and shared responsibilities. The discussions were frank and the exchange of opinions beneficial. OCRA reiterated the importance of a pension advisory committee as recommended by the Ontario Expert Commission on Pensions and received some support around the table. The Plan offered to take OCRA's suggestion about additional voluntary pension contributions for discussion to their fall 2011 retreat. OCRA strongly supported the change in pension payment dates suggested by Susan Murphy, Georgian College Retirees' Club President. (This change has been approved. See the CAAT Pension Plan article in this newsletter.) The final item on the agenda was shared responsibilities. Stakeholders encouraged consistency of message to members - from the Plan, OCRA, OPSEU, and OCASA. This was the first opportunity for OCRA to speak to all the stakeholders at one time about the issues important to retirees.

If you have any questions or comments, please do not hesitate to contact me by mail, email or phone. I enjoy hearing from you and welcome your input.

OCRA website (www.ocraretirees.ca)

Have you looked at the OCRA website just lately? Stay up to date between newsletters – check the OCRA website on a regular basis to find out what's happening. The site has contact information for local retiree associations, descriptive details about organizations relevant to CAAT retirees, a pension calculator, latest updates on health benefits (CAATNIPS), Board minutes, an archive of old newsletters and much more.

OCRA GENERAL MEETING

The 9th general meeting of the Ontario Colleges Retirees' Association was held at Humber College's main campus on November 2, 2011. Approximately 50 members representing 11 of the 24 Ontario colleges assembled in the Seventh Semester Room, along with a number of guests. For the first time, official greetings from CURAC arrived in person from George Brandie, CURAC president, and information desks provided by Waterloo Insurance and Medipac Travel Insurance were another "first" at this meeting.

Humber College president John Davies opened the proceedings with his warm welcome and summary of recent events at the college, and this was followed by the business part of the meeting. The association's officers presented their reports, and representatives from the colleges' retiree extended health insurance plan and the CAAT (Colleges of Applied Arts and Technology) pension plan updated everyone on the latest developments in their areas. Amendments to the by-law and constitution were passed, and three new members, Patti Stoll (Seneca), Barrie Morgan (Centennial)*, and

Ian Skaith (Fanshawe) were elected to the executive for two-year terms. Continuing members of the executive are Linda Choptiany (Centennial), Lorna Plunkett, Stella Pulkinghorn, Jennifer Moore (all Fleming), James Martin (St. Clair), Derrick May (Mohawk), Ruth Tracy (St. Lawrence), and Joan Cunningham (Seneca).

Normally the keynote speaker talks about college matters or benefits, but this meeting featured another "first" - motivational speaker Judy Suke who provided a humorous interpretation of the theme "Aging isn't for Sissies."

Another "first" at this meeting featured the gathering of the college retiree association presidents or representatives around the lunch table to discuss mutual concerns, shown below.



Left to right: John Clark (Niagara); James Brady, Doug Willford (Humber); Frank Jefferson (Loyalist); Ted Shiner (Durham); Barrie Morgan (Centennial); Bill Riddell (Seneca)

The meeting concluded with the distribution of donated door prizes and a vote of thanks for the support of Humber College and the Humber College Retirees' Association as hosts of the meeting. Parking was free and the college caterer served a delicious lunch.

* It was with great regret that the the OCRA Board accepted the resignation of Barrie Morgan from the OCRA Board shortly after his election to the Board because of illness in his family. We wish him well for the future.

Frank Jefferson of Loyalist Pioneers has been appointed by the Board as a director in Barrie's place.

Here are brief bios of the new executive members.

PATTI STOLL (SENECA)

Patti retired from Seneca College in June 2009 after a varied career in teaching and administration. For 15 years she taught management studies in the Schools of Accounting, Finance and Business Management. She was also Dean of Business and Registrar of the College. For the past two years, she has served as Vice President of the Seneca College Retirees Association.


IAN SKAITH (FANSHAWE)

Ian graduated from the University of Western Ontario (Huron College) with a BA in Economics, and after two years of selling securities and derivatives for Richardson Securities of London (ON), joined the faculty of Fanshawe College as a professor in the areas of economics, investment, and financial planning. Currently Ian is a financial planner and investment counsel for Second Opinion Financial Planning.

FRANK JEFFERSON (Loyalist)

Frank's post-secondary education in chemistry and chemical engineering together with his varied experience in the armed forces and chemical industry resulted in an appointment to the Chemical Engineering Technology Dept. at Loyalist College in Belleville, an appointment he held for over 25 years. He is one of the first OCRA life members and was president of the Loyalist Pioneers for five years before taking on the work of membership convenor and newsletter editor.

OCRA BOARD 2012	
Officers	
President	Linda Choptiany
Vice President	Jim Martin
Membership	Jennifer Moore
Treasurer	Lorna Plunkett
Secretary	Stella Pulkinghorn
Communications	Joan Cunningham
Past President	Derrick May
Directors	
Ruth Tracy	Patti Stoll
Ian Skaith	Frank Jefferson

 Joan Cunningham, OCRA Communications



Monthly pension may arrive sooner – change suggested by Susan Murphy of Georgian retirees

The arrival of the New Year brought with it a change to the timing of pension payments. Pensions were paid on the first “banking day” of each month but will now be paid on the first day of the month, or sooner.

For example, April 1 falls on Sunday which means your April pension payment will be deposited into your account on Friday March 30. This ensures your pension is in your account on the first day of the month. In the past, you would have waited until the Monday April 2, or the first banking day of the month, which could have caused a problem if there was an automated deduction from the account on the first day of the month before the pension amount was deposited.

The months affected in 2012 are April, July, September and December. The one exception to the rule is the month of January – to avoid tax issues for you and the pension plan, the January pension payment needs to be made on the first banking day of the year.

The change to the pension schedule was the suggestion of Susan Murphy, President of the Georgian College Retirees Club. The request was brought to the Board of Trustees and the change was approved.

Pensions increase by 2.14% this year!

As you would have read in the January *Pensioner Newsletter*, your pension has been increased by 2.14% to account for inflation. This ancillary benefit is 75% of the annual increase of the

average Consumer Price Index (CPI). Inflation for the past 10 years has averaged about 1.8 % per year.

For the latest information about the CAAT Pension Plan, visit www.caatpension.on.ca

 John Cappelletti, Manager, Stakeholder Relations, CAAT Pension Plan.

UPDATE ON THE CAAT RETIREES GROUP
INSURANCE ADVISORY COMMITTEE'S
ACTIVITIES

Since my appointment by OPSEU as the academic retiree rep last March, I have acquired a deeper understanding of our benefit plans through attendance at several meetings. There is good news, and not-so-good news.

The Good News

- New premium rates are effective February 1, 2012. Some premiums have been reduced, some remain the same, and there are small increases in others. Overall, rates for retirees will be decreasing by 0.56%.
- Generic drugs are now reimbursed at 100% for Plan 1 subscribers, and prescriptions should be filled without charge when you use your drug card. However, the plan will reimburse the generic unless because of a medical condition, your attending physician supports the brand. In these cases your physician must clearly write “no substitution” on the prescription, check off the appropriate box and sign the prescription. Your drug card is the best way to obtain the best price for your medications when having prescriptions filled or when purchasing supplies such as needles for insulin injections.

Not-so-good news

- Life insurance for academic retirees still ends at age 75 while support and admin retirees have insurance for life. Because it is a negotiated benefit, change can only come


through the academic bargaining process. So it is necessary to convince the negotiating parties (OPSEU and Council) to consider negotiating the same Basic Life Insurance coverage as the coverage in place for Administrative and Support Staff retirees. The parties will be going into negotiations for a new Collective Agreement in June 2012, and it would be very timely to bring this issue to their attention. You should write to Steve Saysell, Chief Negotiator, OPSEU CAAT Academic at ssaysell@opseu.org and Peter Mckeracher, Director, Academic, College Employer Council at peter.mckeracher@thecouncil.ca.

Mastering the Jargon

Some terms in common use in the insurance industry may cause confusion to retirees when they have questions about their benefits.

Predetermination: This means you must get prior approval from Sun Life for a proposed large expenditure such as a \$1,000 custom-made knee brace. Send details of the proposed expenditure to Sun Life Claims Office for approval in advance.

Reasonable and Customary, or R & C: Means you will be reimbursed at the average cost of the service you are claiming in your province of residence. Perhaps your claim for an expense has been adjusted downwards to a "reasonable and customary" amount and you wonder why. Reasonable and customary amounts are reviewed and updated yearly to ensure they are consistent with industry standards. An example would be the difference between the high rates for massage therapy charged by an exclusive private club and the less expensive charges at a neighbourhood paramedical clinic.

 Joan Cunnington (Seneca) OPSEU Academic Retirees Rep, CAAT RGIAC

PENSION MANAGEMENT IN TROUBLED TIMES

What does a financial crisis mean to pension fund managers? In the short run, crisis means more risk

and uncertainty in investment decision-making. The response to more uncertainty is more liquidity and less exposure to risky investments with higher returns.

In an environment of high uncertainty pension managers move to short term, liquid, high quality securities that are safer but earn lower returns. The stock market responds badly to more uncertainty and generally fluctuates wildly with no clear trend up or down.

If uncertainty declines with better news in 2012, pension funds will increase exposure to riskier assets with higher returns. In 2012 the Bank of Canada will start a slow trend back to normal interest rates levels. Rates will rise unless a financial crisis hits Canada. With higher rates, new money coming into pension plans will earn better yields on bills and bonds. If profit increases, some blue chip firms will raise dividends.

Flight capital flowing from Europe and continuing uncertainty about US deficits and rogue countries create lower than normal equity valuations and severe volatility. Pension managers are challenged by the general atmosphere of high risk. Decisions become defensive rather than offensive so performance will be weak. As long as this environment does not continue for years, the pension fund performance will not be seriously impaired.

The problem of debt accumulating too quickly in developed nations must be addressed. So far Mark Carney has tried to talk Canadians into restraint, but it will not happen at these low interest rates unless the terms of credit are tightened further. Mortgage terms have been tightened twice with limited effect.

Debt repayment and debt servicing cost redirects money from needed productive investment, slows growth and raises interest

rates. By the end of 2012 the US government will pay \$1 trillion in debt servicing cost. A very large injection of new money by the Federal Reserve is not turning into inflation yet. Higher bank liquidity requirements, lower loan demand and banks writing off bad assets have helped keep a lot of money out of the spending stream. In the next two years inflation may become a problem as it has in rapidly growing China and India.

Add rising inflation to the current stagnation and you have stagflation. Unlike previous cycles, e.g. the 1970s in Canada, very low interest rates are not raising trend growth in Europe or the U.S. Canada is doing a bit better but productivity is weak.

The economic forecast for Canada and the US for 2012 is stagnation. A combination of very low interest rates, slow growth and weak stock markets does not augur well for the performance of pension plans. Governments in Canada are looking at public sector pensions as a possible source of deficit reduction. Hang on and get ready for a confrontation with Mr Harper and Mr. Mc Guinty!

 Ian Skaith (Fanshawe) OCRA Director

Note: For more information about these uncertain economic times, please read Ian's article "The Environment of Uncertainty for Pension Managers" which will appear soon on the OCRA website at www.ocraretirees.ca

MEMBERSHIP MATTERS

Renewal notices for 2012 membership have been mailed out; please send your renewal in as soon as possible if you haven't already done so. OCRA depends on the income from the membership fees to keep the organization functioning as an effective voice for CAAT retirees. Ensuring that your membership is updated enables OCRA to keep you and all the members informed about the changing scene in benefits and pensions. Please let me know if your renewal notice hasn't arrived

yet by calling me at (705) 743-2072 or send an email to me at membership@ocraretirees.ca

Five college retiree associations collect the OCRA fees and forward the funds directly to OCRA for their members: Centennial, Lambton, Mohawk, St. Clair and St. Lawrence. The membership cards are mailed as soon as your information has been received. If you are not sure if the OCRA membership fee has been paid on your behalf, please contact your local association. We are continuing with the laminated membership card with an issue date instead of an expiry date.

To help keep our records up to date and to enable OCRA to keep in touch with you, please be sure to let us know if you have a new telephone number, street address or email address - especially important if you are a life member since you do not receive the annual renewal notice.

If you receive your newsletter and other communications by email, do check your spam or junk mail inbox. It's possible that a bulk email - like the notice we send you about the latest newsletter - could be dumped in your junk mail box by your email program. Also remember to leave room in your inbox for incoming mail - a full box is another reason why emails bounce back to the sender.

Our thanks to all members who have renewed for 2012 or who have taken out a life membership. Please encourage your fellow CAAT retirees to join OCRA. Our website (www.ocraretirees.ca) has a membership form on it, as well as details of annual and life memberships. If you have a question, please contact me at:

Jennifer Moore
OCRA Membership Co-ordinator
266 Charlotte Street, Suite 244
Peterborough, Ontario K9K 2V4

CURAC CONFERENCE & AGM, 2012

The College and University Retiree Associations of Canada (CURAC) will hold its annual conference and AGM at the University of Victoria, in Victoria, BC, from April 18-20. The program is being developed in association with representatives from the University of British Columbia and Simon Fraser University, and it will feature sessions on pensions, university programs for seniors, and CURAC/ARUCC input into revisions to the Canada Health Accord. For more information, please refer to <http://web.uvic.ca/retirees>

The possibility of a CURAC Ontario regional conference for CURAC members is under consideration by the Ontario-based members of the association. As you know, OCRA is a member of CURAC, and our participation in this conference will be warmly welcomed. The conference would provide opportunities for retirees from the universities and community colleges in Ontario to meet and explore areas of mutual concern together. We will keep you updated on this as events develop.

ACRONYMOPHOBIA?? (Fear of acronyms)

Are you confused by the plethora of "coined" words consisting of the initial letters in the names of various organizations, committees, government departments, etc? "CAAT" is an acronym; OCRA is another, OPSEU yet another. Fear no more, just follow the link below to the OCRA website and find Derrick May's useful list of the full names of various organizations, their acronyms, and what role they play in retiree matters.

<http://www.ocraretirees.ca/>


MEMBERSHIP RECRUITING

Probably many OCRA members first became aware of the association through the benefits officer at their college who handed them an OCRA membership application form or an OCRA

bookmark during their retirement preparations. While OCRA greatly appreciates the help of the benefits officers in the colleges in passing the necessary information about OCRA on to prospective retirees, there have been some instances recently of retirees receiving outdated forms and other incorrect information. So we decided to make some changes.

We will continue to provide the benefits officers with the necessary information but in a different format. An enrollment kit will be developed for use by the benefit officers at the colleges. It will consist of an envelope with a mailing label addressed to the OCRA membership co-ordinator, and inside the envelope there will be a welcome letter from the OCRA president, the membership application form, an OCRA pen (a new item!) and an OCRA bookmark. If there are enough supplies remaining after this envelope and contents have been sent to all the college benefits officers, these kits will be available to local retiree associations to assist in the recruitment of new OCRA members.

Meantime, if anyone would like more bookmarks, please let me know at communications@ocraretirees.ca and I'll send you a supply.

 Joan Cunnington, OCRA Communications

SASKATCHEWAN PENSION PLAN

During a recent local workshop on the OMERS pension plan which I attended, mention was made of an "additional voluntary contribution" (AVC) feature that is available to OMERS members only. It is not available in the CAAT Pension Plan or the Ontario Teachers Pension Plan, but it is described fully in the OMERS Pension Plan website.

During the workshop, I learned about the Saskatchewan Pension Plan (SSP). It is open to

any Canadian over 18 and if anyone is interested in investing in a government-sponsored, defined contribution pension plan for yourself or your children or friends, I believe it is worth looking into. However, I strongly recommend that you contact a financial advisor to obtain information on your specific individual situation. There was an article in the Toronto Star on December 20, 2010, which is very informative. Use this link to read it: <http://www.thestar.com/training/article/908066--is-this-small-pension-plan-canada-s-best-kept-secret>

 Jim Martin, OCRA Vice President

A STORY FROM RUTH

From time to time, when she isn't sharing her encyclopaedic knowledge of the CAAT Pension Plan with us, OCRA director Ruth Tracy sends a gem like this piece below to the newsletter editor.

"Hilda" - The young man who lived across the street from Hilda had a second-hand motorcycle torn apart and spread out on his front lawn. He couldn't figure out how to fix it and was a little bit impatient with the 'old lady' (then in her eighties) who had hobbled across the street to ask him about his motor bike. Initially, he wasn't going to talk to her, but to his amazement, she walked him through the repair process. He didn't know that Hilda was one of the first women to be trained as a dispatch rider by the British military in World War I, and during her training she had to learn how to strip a motorcycle down and put it back together again.

(There are taped interviews with Hilda in the Canadian War Museum in Ottawa)

 Ruth Tracy (St. Lawrence) OCRA Director

ASSOCIATION ROUND-UP

Fanshawe - Congratulations to Fanshawe College Retirees' Association on the launch of its

newsletter "In Touch" with the March 2011 issue and the subsequent fall issue. It is a very attractively formatted publication with interesting content.

St. Clair - Congratulations also to the members of the St. Clair College Retirees' Association on achieving 68% of their goal in support of the college's new Health Plex Recreation and Fitness Centres. The "buy a brick" sale, golf outings, lucky draws, and memorial donations have all contributed towards the ultimate objective.

Mohawk - And hearty congratulations to the Retirees Association of Mohawk College! This association was established in November 1992 and is now celebrating its twentieth anniversary year. Mention is made that RAMC is not only the oldest surviving college retiree association but it is also the largest - does anyone dispute that?

Seneca - This excerpt from a recent edition of "The Sentinel," the on-line newsletter of Seneca Retirees Association, asks a pertinent question:

'If OPSEU represents the financial interests of active members

and

Colleges Ontario represents the financial interests of the ... colleges

then

"who represents the financial interests of college retirees?"

Who, indeed?

