



NEWSLETTER November 2006 Vol. 5 No. 1

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

PRESIDENT'S MESSAGE

Bob Pando

Updates – in brief

Since our last newsletter and the General Meeting in May, OCRA™ has been involved with a couple of major issues with which we have been dealing for some time. These are:

- OCRA™'s complaint about the composition of the CAAT Pension Plan's Board of Trustees
- the Plan's claim that the retiree trustee is the representative of active employees not of the retirees.

We are pleased that these issues have been formally pushed up to the Financial Services Commission of Ontario (FSCO). The pace of activity on these and other issues we have with the Plan has slowed as we await a decision from the FSCO staff.

Concerns have developed with respect to the appointment of the committee administering the new retiree health benefits plans. OCRA™ had a commitment from OPSEU and OCASA to work with OCRA™ on the appointment of the retiree members of that committee. (OCASA is the Ontario College Administrative Staff Association).

However both OPSEU and OCASA have reneged on the commitments they made. OCRA™ continues to work to ensure that retirees have a meaningful role in the appointment of the retiree members on the

administrative committee for retiree health plans.

There have been several key changes to our executive as some long serving members have retired from the Board, opening up the executive to new members. OCRA™ is very grateful for the contributions of Joan Cunningham, who handled the positions of Secretary and Membership since OCRA™ first began in 2001. Sheila Hirsch-Kalm served as a director and contributed her expertise to the development of the retirees' new health plans. Thanks to both Peter Pass and Barbara Hubbs who volunteered their services as directors. In May we had our General Meeting at Seneca College at which four new directors were added to the executive.

Details of the Issues

CAAT Pension Plan

Late last year we received a copy of correspondence from the Plan to FSCO in which the Plan claimed that the retiree trustee on its Board is not the representative of the retirees.

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Rather, they stated that trustee, who is a retiree, is the representative of the current employees. For more than 10 years, the Plan repeatedly stated in their newsletters and in letters from their lawyers, that the retiree trustee was the representative of the retirees. Please note that there is a distinct difference between a trustee acting to represent retirees (all trustees must “represent” all active and retired members) and a trustee who is the representative of a specified constituency.

The Plan’s position also is contrary to the sworn affidavit of Ron Martin who was one of the framers of the Plan’s founding document – the Sponsorship and Trust Agreement. The STA spells out the structure of the Board and the role of its members. Ron also was the Board’s first chair and later the first retiree trustee. He states in his affidavit that as the retiree trustee he was the representative of the retirees not of active employees. Ron is emphatic that this was the intent of the STA when it was created and it was how the STA was implemented while he was at the Plan from 1995 to 2000.

The Plan apparently took this new position because for them to maintain their old position that the retiree trustee was representative of retirees would have been to admit that the current composition of the Board did not meet the requirements of the Pension Benefits Act (PBA). A question that the Plan has yet to answer is when did they change positions? Where is the amendment to the STA for this change? For the past three consecutive years I have inspected the Plan’s current and historical records and found no such amendment.

We have other outstanding issues with the Plan regarding both the veracity of statements they have made in letters to OCRA™ and whether they have violated their fiduciary duty to retirees. On our lawyer’s advice these issues have been put on hold until the issue of who the retiree trustee represents is determined.

Retiree Health Benefits Committee

In our newsletter last October I had advised that:

“The Council, OPSEU and OCASA have agreed that the oversight administrative body will be a separate retiree “joint insurance committee”, that it will function on a consensual basis, as do the existing JICs, and that there will be three retiree representatives on the committee. The faculty and support staff retiree representatives will be jointly selected by OPSEU/OCRA™ and the administrative retiree representative will be jointly selected by OCASA/OCRA™.

This administrative committee will be established after the current negotiations are completed for the faculty. (At the time of writing support staff had settled their contract). The parties already have agreed that the necessary contractual changes will be put into place during these negotiations. **These are major advances for retirees in this most critical area of retiree benefits.”**

When OCASA received a copy of our newsletter they advised us that they had not agreed to work with OCRA™ to appoint the administrative retiree member of the Committee. After exchanges of correspondence and discussion over several months, OCASA advised us that they would work with OCRA™ on that appointment. Subsequently in September they reversed themselves and advised us they would make the administration retiree appointment alone.

In July, OPSEU advised OCRA™ that they had not made a commitment to work with OCRA™ on the appointment of the support staff and academic retiree members on the Committee. Rather they said they had only agreed to “consult” with OCRA™ on the appointment. We vigorously deny OPSEU’s assertion. Our position has been confirmed by one of the key OPSEU representatives who attended the meeting at which the commitment was made by OPSEU. We believe these two bodies, representing active employees, effectively have reneged on

agreements they made to work jointly with OCRA™.

The appointment of the retiree members of the Committee is a matter of vital interest to retirees because it will have significant influence over the new retiree health benefit plans. We have contacted the College Compensation and Appointments Council (formerly the Council of Regents) to whom the Committee provides an important advisory role regarding the retiree health benefits plans. We are attempting to resolve these issues amicably. We are however, determined to defend the rights that were obtained on behalf of retirees with respect to this important Committee.

New Executive

I would like to welcome to our executive four new members elected at the GM in May (see the reports below from our new Membership Coordinator Hilda Moessner and our new Secretary Stella Pulkinghorn). As well, I look forward to working with Lorna Plunkett and Dorleen Allen. New to the Board since our last newsletter is Newman Wallis who replaced a vacancy several months ago. We had our first meeting of the new executive on September 13, 2006 and our next meeting is scheduled for November 28, 2006 at Humber College.

Membership Renewals

The time of year has come for members to renew their membership in OCRA™ – except of course for those who elected the “life membership” option that has proven to be very popular. This year we are asking members to consider giving \$3 in addition to the normal \$10 annual fee as a donation to the legal fund. You can see from the foregoing items that there is a constant need to be vigilant and to be prepared to ensure the rights of retirees.

Last Spring we made a request for donations to the legal fund and many members responded. Thank you for your very generous donations and words of encouragement for the efforts of the executive. Those donations have enabled us to move forward with our efforts to maintain

the historic right of retirees to have their own representative on the Board of Trustees of the CAAT Plan. I ask that all members please consider what is at stake and include the extra \$3 with your membership fee.

With your support, we will continue to do our best to act on behalf of our members.

MEMBERSHIP MATTERS

Hilda Moessner, Membership Coordinator

This year marks the fifth anniversary of OCRA™. Since its inception in 2001, our membership has grown steadily from a dozen to over 1,700. OCRA™ appreciates the support from both individuals and local retiree associations. Revenue raised through membership fees covers OCRA™'s operating expenses throughout the fiscal year. Please continue your support by renewing your membership for 2007.

The last page of this newsletter is a membership renewal form with a Lifetime Membership Table on the back of the form. Lifetime membership means no more annual renewal notices! If you have not already paid your 2007 fee (\$10.), please take a few moments to complete the form and return it with your cheque to the Membership Coordinator at the address provided on the form.

Members who need not return the 2007 remittance are those who already have opted for Lifetime Membership and those whose local membership coordinators collect and submit annual payments on their behalf. These colleges are: Centennial, Fanshawe, Lambton, Mohawk, St. Clair and St. Lawrence. Check with your local retiree association if you are not sure whether your OCRA™ membership is paid on your behalf.

To contact the Membership Coordinator, go to page 8 for Hilda's email and address.



Members have asked us to reprint the following Sun Life information from our last newsletter.

SUN LIFE DIRECT DEPOSIT

Instead of receiving cheques in the mail from Sun Life for health benefits expenses, you can ask for direct deposit of those refunds to your bank account. Go to the Sun Life website at <http://www.sunlife.ca> and under the Sign In box, click Plan Members. You will have to register and will receive an access ID and be asked to create a password. Once you have access, click on the contract number. On the next page that opens there should be a link on the right regarding direct deposit. Complete the necessary info and within a couple of days you will be receiving expense refunds directly deposited to your bank account. You can print out the page describing the deposit and keep it for tax purposes. There also is a record on the Sun Life site of your expenses and payments that you can use to reprint receipts. Another useful piece of information on the site is a statement of the vision coverage still available to you.

TURNING 65?

Don't forget to advise your former college's Human Resources Department when you or your spouse/partner turns 65. This applies to retirees who joined one of the new Sun Life health plans.

Your premiums will reduce if you notify your Human Resources Department before February 1.



If you or your spouse are turning age 65 within the 12 month period immediately following February 1, and prior to February 1 you provide proof of your date of birth, you will pay the reduced "Age 65 & Over" rate for the full 12 month period even if you do not turn age 65 until the following January.

Please note: it is your responsibility to provide proof of age to your College Benefit Administrator within the period immediately prior to your turning 65. Your College Benefit Plan administrator is not responsible for tracking when you or your spouse/partner will turn 65 at some point in the future.

NEW DIRECTORS' PROFILES

Linda Choptiany, Communications

OCRA™ is pleased to welcome the following new directors. They bring a wealth of experience to the OCRA™ Board. Below are a few brief highlights from their backgrounds.

Hilda Moessner

Hilda is responsible for the new position of Membership Coordinator. She worked at Seneca College for 26 years in the administrative area, including Secretary to the Board of Governors. Hilda has served with the Seneca College Retirees' Association and is actively involved with the North York Senior's Centre and the Zenith/Elegance Program Committee.

Stella Pulkinghorn

Stella is the new Secretary for OCRA™ She worked at Fleming College for 25 years, over 18 years as Secretary to the President and Board of Governors. She volunteers with the Fleming College Foundation, most

recently, fund raising for the Peterborough Sport and Wellness Centre.

Lorna Plunkett

Lorna retired from Fleming College in 1997 after teaching since 1981. Since then she has been active in a number of volunteer organizations. Some of them include Past President of the Fleming College Foundation Board and Member of the Former Employees of Fleming social committee. Lorna also volunteers with community associations in Peterborough.

Dorleen Allen

Mohawk retiree, Dorleen, was a faculty member for 32 years before she retired in 2002. She served two terms as the faculty governor on the Board of Governors. Dorleen was an elected trustee on the Brant Board of Education and a director of the Ontario School Boards Association where she reviewed curriculum changes for the province.

Newman Wallis

Early this year when the OCRA™ Board had a vacancy, Newman volunteered to serve. He worked at Seneca College for over 30 years in both administration and faculty. He was Executive Assistant to the President at Seneca for five years and has written a history of Seneca College. Currently Newman is President of Seneca College Retirees' Association. He continues to volunteer his services to a variety of organizations.

CAAT PLAN ACTUARIAL RESULTS

Did you read it closely?

Bob Pando

Recently we all received a copy of the CAAT Plan's September 2006 Pensioner Newsletter the main purpose of which seems to be to persuade us that the Plan is in sound financial shape, well managed and that our pensions are secure. On pages 6-7 of the Plan's newsletter there is an article about the actuarial evaluation results for January 1st, 2005. There are a few things you have to bear in mind when you read this article and the Plan's September 2006 issue:

1. The actuarial evaluation results are for January 1st, 2005 and therefore they already are out of date. The report is being done only to the extent necessary to satisfy the reporting requirements of the Pension Benefits Act. If the Plan is in good shape one would also expect an evaluation would have been completed for January 1st, 2006 and another would be done for January 1st, 2007. The evaluation they provided will soon be 2 years out of date. When I was co-chair of the Sponsors' Committee from 1995-2000 we had actuarial valuations prepared for each calendar year-end available by April or May of the following year.
2. I know from my experience on the Sponsors' Committee (the body in the Plan that directs the preparation of the actuarial evaluations) that the Plan has a lot of leeway in making their reports to the Financial Services Commission and in directing their actuary regarding the criteria used in the preparation of the report. It's legal, but if they chose to do so, the Plan could create a result that a totally independent actuary may not want to produce.

The discount or interest rate of 6.5 % the Plan has assumed for the future (post January 1st, 2005) is a criterion that causes me concern. The assumed interest rate is critical to the Plan's actuarial viability, forecast performance and what they report to the government. We already know that the Bank of Canada rates and the prime business rates on the 1st of January in 2005 and in 2006 were significantly lower (2.75/4.25 % and 3.75/5.25 % respectively) than the Plan's assumption. But, the 6.5 % figure is within the acceptable "ballpark" so the Plan can decide to use it. If the Plan's assumed figures prove incorrect there could be serious consequences for the financial health of the Plan and perhaps our

pensions. These consequences are compounded by the 2-year reporting delay.

3. The Plan's article also states "...the assets exceed the liabilities by \$141 million. Note that the adjusted solvency liabilities exclude the value of any cost of living adjustments expected to be granted in the future." This is a most disturbing statement. In 2000 the Plan approved the amendment for inflation protection and accounted for the required costs to provide for annual cost of living adjustments for retirees until 2014. It should not be a question whether the Plan now has the money to pay for these adjustments – the money already was set aside to do it. Nor is another decision needed on whether adjustments should be “granted” – that commitment was made in 2000.

The Plan says that it **expects** these adjustments to be granted. The adjustments now are so uncertain that the Plan states it doesn't include these costs when they calculated their surplus. It makes me think that this could be the first sign the Plan might try to renege on the inflation protection commitment made to retirees. Did anyone notice and will anyone complain??

My observations underscore why retirees must continue to demand to have their own representative on the Board of Trustees. A retiree named to the trustee role by OPSEU or OCASA owes their position to them and represents them, not retirees.

GENERAL MEETING MAY 27, 2006

Stella Pulkinghorn, Secretary

OCRA™ held its fourth general meeting hosted by Seneca College. Seneca's President Rick Miner personally welcomed the participants. In his address he spoke on a number of topics of interest, and recommended that there be an increased affinity between retiree associations and ACAATO.

OCRA™ President Bob Pando convened the meeting, welcomed all and thanked Seneca for the hosting the event. 36 voting members representing 10 colleges attended; along with 6 invited guests and spouses. Slight amendments were made to the meeting agenda. Minutes of the previous General Meeting (June 12, 2004) were approved. Bob encouraged members' opinions on the important issues under discussion.

He noted that the term of office has ended for four executive members and an election today will seek four new officers. Bob extended a sincere thank you to Joan Cunnington (Seneca) - Founding Secretary and Membership Coordinator, for her long-time commitment to the association. Joan recommended that in future, the secretary's work be divided between two people; one person as a record keeper and recording secretary; the other as a membership coordinator.

Other directors whose terms ended were Sheila Hirsch-Kalm (Seneca), Peter Pass (Georgian), and Barbara Hubbs (Humber).

Officers' Reports

President Bob Pando indicated that the implementation of the new extended health benefits plan for retirees was an important achievement for college retirees and OCRA™. He noted that much time and effort has been spent around the Association's issues with the CAAT Pension Plan. Bob thanked members for their contributions to a legal fund established to support OCRA™'s work on their behalf.

There was discussion from members about OCRA™'s issues with the CAAT Pension Plan.

The reports of Treasurer Gil Callingham (presented by Joan Cunnington), Vice-President Derrick May, Secretary Joan Cunnington, and Communications Officer Linda Choptiany, were presented. Copies of the full reports are available upon request.

Nominations were received with four people acclaimed as members of the Executive: Lorna Plunkett (Fleming), Stella Pulkinghorn (Fleming), Hilda Moessner

(Seneca) and Dorleen Allen (Mohawk) will hold office until the sixth general meeting. The remaining six directors continue in their positions until the next (fifth) general meeting.

Guests at the meeting included Stephen Lee Kam and Mary Hofweller resource people from the College Compensation and Appointments Council. They spoke about the positive feedback for the new health plans and provided advice on the drug plan, dental rates and claim procedures. Guest speaker, James Daw, the “Money Talk” columnist from the Toronto Star, spoke about pensions and compared them specifically to the CAAT Pension Plan. He responded to questions and answers from the audience.

CURAC NEWS

Joan Cunningham



College and University Retiree
Associations of Canada/ Associations de
retraités des universités et collèges du
Canada

CURAC is a nation-wide association of college and university retirees established in 2002. While most of its member organizations are university retiree groups, Ontario community college retirees are represented via OCRA™'s membership in CURAC. CURAC's objectives include:

- (a) to facilitate communication among college and university retirees in all parts of Canada
- (b) to collect and disseminate information about retirement policies, pensions, benefits and other matters of mutual interest
- (c) to promote the exchange of ideas among college and university retirees

For more information, please refer to the website at www.curac.ca. You will find a detailed history of the organization, its

structure, and the proceedings of all the annual general meetings and conferences.

Although I retired as secretary and membership co-ordinator of OCRA™ at the general meeting in May 2006, I will continue to be involved in education retiree matters as a member of the CURAC board. From time to time, I will provide OCRA™ members with updates about CURAC's activities via the OCRA™ newsletter and website. Here is some information about next year's CURAC/ARUCC Conference and AGM.

The 2007 CURAC/ARUCC Conference and AGM will be held at the University of Windsor on May 24-25, 2007. There will be a pre-conference reception May 23 and possible post-conference activities on May 26. Of special interest to college retirees is the participation of St. Clair College and the St. Clair College Retirees' Association as co-hosts of the event. Detailed plans are being made for the business of the conference as well as for accommodation and entertainment. The list of possible topics for the conference sessions is wide-ranging and of particular relevance for college retirees:

1. Retiree Centres
2. Safeguarding of Retiree Interests: Fiduciary Responsibilities
3. Protecting Private and Public Pensions
4. Strategies for Improving Benefits
5. Health Resources for Seniors
6. Long Term Health Care – Can You Afford It?
7. A Review of Non-Medical Benefits

The organizers welcome suggestions for participants in these sessions or further ideas for program topics. If anyone has any ideas, please get in touch with Ken Pryke at p49@uwindsor.ca or you can email me at toby339@sympatico.ca or call me at 905-945-1299 so I can put you in touch with the organizing committee.

As more details become available, they will be posted on the CURAC website at www.curac.ca/windsor.htm and also on the OCRA™ website (www.caatretirees.org)

OCRA™ Contact Information

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OCRA™ BOARD	
2006	
EXECUTIVE	
President	Bob Pando
Vice-president	Derrick May
Secretary	Stella Pulkinghorn
Membership	Hilda Moessner
Treasurer	Gil Callingham
Communications	Linda Choptiany
DIRECTORS	
Dorleen Allen	
Lorna Plunkett	
Bev Walden	
Newman Wallis	

Happy Holidays to all our members!



LIFETIME MEMBERSHIP RATE TABLE

<u>Check Box</u>	<u>Age</u>	<u>Total Life Membership Fee</u>
<input type="checkbox"/>	70 years or older	\$50.00
<input type="checkbox"/>	69 years	\$60.00
<input type="checkbox"/>	68 years	\$70.00
<input type="checkbox"/>	67 years	\$80.00
<input type="checkbox"/>	66 years	\$90.00
<input type="checkbox"/>	65 years	\$100.00
<input type="checkbox"/>	64 years	\$110.00
<input type="checkbox"/>	63 years	\$120.00
<input type="checkbox"/>	62 years	\$130.00
<input type="checkbox"/>	61 years	\$140.00
<input type="checkbox"/>	60 years or younger	\$150.00