



**NEWSLETTER JANUARY 2009 VOLUME 7 NUMBER 1**

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

**FROM THE PRESIDENT**

*Linda Choptiany*  
president@ocraretirees.ca

This is OCRA's first newsletter for 2009 with information on topics of interest to CAAT retirees. You will find news from our pension plan, the latest updates on retiree benefit costs for 2009, and highlights from the recently released report of the Ontario Expert Commission on Pensions.

The **OCRA General Meeting** was held October 25, 2008 at Fanshawe College. Visit the OCRA website at [www.ocraretirees.ca](http://www.ocraretirees.ca) to read the directors' reports and see a copy of the excellent presentation by keynote speaker – Dr. Cornelia Baines – Professor Emeritus, School of Public Health, University of Toronto.

2008 was a busy year for your Board. We met six times and held meetings at Sheridan, Seneca, Durham, Mohawk, OCRA's corporate headquarters in Bridgenorth, and Centennial. We enjoyed meeting with local retirees and are grateful to the colleges who hosted our meetings.

Our first Board meeting after the General Meeting was held in November at the College Compensation and Appointments Council offices in Toronto.

In the past year OCRA has developed a strategic plan that helped us focus on key

issues. As part of the plan, your Executive has continued relationship building with the CAAT Pension Plan, the Council, OPSEU and OCASA. I was pleased to see representatives from almost all of these groups at our General Meeting. The CAAT Pension Plan representative could not attend but provided us with a written update on the financial status of the Plan in these turbulent economic times. (See p.4) It was read by Past President Derrick May to members attending the General Meeting.

**Three new directors** were elected at the General Meeting to serve on the OCRA Board. We are pleased to welcome Marion Hermes (Fleming retiree), Anita Blair and Jim Martin (both St. Clair retirees). We said thank you and goodbye to three retiring members of the Board: Dorleen Allen, Susan Murphy and Bev Walden.

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**OCRA Board of Directors 2008-09**



Past President and current Board member Derrick May, took the group photograph.

## **WELCOME NEW DIRECTORS**

**Anita Blair** retired from St. Clair College in 1998. She held the position of Director, Management Information Systems on the Administration side of the college. In the 1990's Anita served two terms as the internal Administrative member on the college's Board of Governors. Since retiring, she has been active with the Executive of the St. Clair College Retirees' Association; first as Secretary and currently as the Membership Coordinator.

**Marion Hermes** joined Fleming College in January 1980 and held positions in the Employment Training Division, School of Business and the Marketing Department. She retired in 2004 with 24 years of service. Marion's past history with Fleming included receiving the President's Recognition Award for Support Staff in 1990, serving as a member of the Board of Governors from 1992-1994 and as a Union Steward for 10 years. Since January 2004, Marion has been a volunteer at the Peterborough Regional Health Centre.

**Jim Martin** started at St. Clair College in January 1970, and retired August 2004. During that time he

held a variety of roles, but mostly managed health programs such as Dental Assisting, Dental Hygiene, Medical Laboratory Technology, Paramedic, Pharmacy Technician, and Veterinary Technician. Jim has been a member of the St. Clair College Retirees' Association since he retired, and in 2007 he joined their Executive.

Jim has been active in various community organizations, minor sports, and has served on several health-related committees.

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## **MEMBERSHIP MATTERS**

*Hilda Moessner, Membership Coordinator*  
[membership@ocraretirees.ca](mailto:membership@ocraretirees.ca)

As reported at the General Meeting in October our membership is growing at a steady pace. Of particular note is the increase in our Life Memberships - currently 324 members. This is an increase of more than 50% in the past three years.

Membership renewal notices have been sent to all members who don't pay their annual fees through their college associations. If you have not received yours, please give me a call at

416-491-7087 or send me an email at [membership@ocraretirees.ca](mailto:membership@ocraretirees.ca). For those of you who have already paid your 2009 fees, no renewal notice has been sent.

The retiree associations that collect fees on OCRA's behalf are: Centennial, Lambton, Mohawk, St. Clair and St. Lawrence. A special thanks to Arthur Donin (Centennial), Conrad D'Souza (Centennial), Dave Grimes (Fanshawe), Des Pigott (Lambton), Joanne Wolfarth (Mohawk), Anita Blair (St. Clair), Clare Rayner (St. Lawrence) and all who assisted these individuals in processing memberships during the past year. Unfortunately, the Fanshawe Retirees' Association will not be able to help us in this task during the coming year and, for that reason, those of you who are retirees from Fanshawe will have received a separate renewal notice.

OCRA is always interested in ways to increase our membership. If you have any suggestions, please let me know. Also, if your college or retiree association wishes to assist by collecting fees on behalf of OCRA, we would like to hear from you. As you know, revenues raised through membership fees cover the operating expenses incurred by OCRA throughout its fiscal year. It is, therefore, important that we all renew our memberships for the coming year.

Thanks for your continuing support of OCRA and may you have a healthy and happy 2009.

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## **ONTARIO EXPERT COMMISSION ON PENSIONS – UPDATE**

*Linda Choptiany, President*  
[president@ocraretirees.ca](mailto:president@ocraretirees.ca)

The Commission was established in 2006 to examine the legislation that governs funding of defined benefit plans in Ontario. The CAAT Pension Plan is a defined benefit plan. In 2007, OCRA made two submissions and eight recommendations to the Ontario Expert

Commission on Pensions. We presented our second submission in person, in Windsor in November of 2007.

On November 21, 2008, the final report of the Commission was released to the stakeholders. The report is entitled *A Fine Balance: Safe Pensions, Affordable Plans, Fair Rules* (222 pages and 142 recommendations). Both the full version and a shorter summary is available on the website [www.pensionreview.on.ca](http://www.pensionreview.on.ca). It is important to note in addition to the input from stakeholders like OCRA and others, the Commission consulted 60 experts in the field and received 17 independent research studies from across Canada.

Of particular interest to OCRA are the recommendations in Chapter 8 – Governance. In this chapter the Commission states: "It is inappropriate... that retirees should be denied a voice in decisions that crucially affect their interests". (8.4.4) Further recommendations include:

- ▶ "A Pension Advisory Committee...required by every pension plan... must have one representative selected by retirees." (8-24)
- ▶ "The Pension Benefits Act should be amended to describe the pensioners as "retired" rather than "former" members." (8-28)
- ▶ "Retired plan members should be eligible to participate in any plan's governance in which active plan members are eligible to participate." (8-30)

If these ideas sound familiar to you, it is because OCRA has been promoting them for some time and incorporated them into our submissions to the Commission.

The report addresses the need for a **Pension Champion** (10-5). This agency would collect and provide pension system information. OCRA supported CURAC's (College and University Retiree Associations of Canada) recommendation of a Provincial Pension Ombudsman for pensioners to help retirees understand the complexities of pension issues. According to Recommendation

10-5 of the OECP, an agency called the Pension Champion would conduct research into the pension system and working with the Pension Community Advisory Council, (see below) could promote and facilitate innovation in the pension system.

There are many more recommendations that, if adopted, would make the business of pensions more transparent for retirees. For example, the Commission proposes a new **Ontario Pension Regulator** to replace FSCO (Financial Services Commission of Ontario). OCRA and other presenters agreed that “FSCO may not possess all the power and resources it needs to keep the system in good repair”. A **Pension Community Advisory Council** representing stakeholder, professional and academic users would advise the government on significant policy issues. The structures for the Ontario Pension System are clearly outlined in a chart on page 200 of the report.

A Fine Balance provides an in-depth look at ways to improve the pension system in Ontario. Many of the recommendations are of particular relevance to CAAT retirees and reflective of OCRA’s input into the process. In the last chapter of the report, Commissioner Dr. Harry Arthurs emphasized, “The time for moving ahead is now”. He commented that pension reform in Ontario is long overdue and “the issues are ripe for resolution”. The next step is up to the Ontario government. Minister of Finance Dwight Duncan has called for public feedback on proposals of the report by February 2009.

A Fine Balance can be ordered online at [www.serviceontario.ca/publications](http://www.serviceontario.ca/publications) or call 1 800 668-9938 toll free  
ISBN: 978-4249-8165-6  
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## STATUS OF THE CAAT PENSION PLAN

*Paul Owens, CEO, CAAT Pension Plan, provided the following email regarding the financial status of the Plan to members at the OCRA General Meeting, Fanshawe College, October 25, 2008.*

The value of the CAAT Pension plan as of year-end 2007 was \$5.452 billion. When compared to

the liabilities, we had a deficit of \$.497 billion. However, when the increases in contributions from active members that started in 2008 are factored in, the Plan had a surplus of \$.320 billion. As of September 30, 2008, the assets decreased to \$4.655 billion. As of this week, we estimate them to be about \$4.0 billion. (*A recent update from Paul indicates this figure is likely closer to \$4.2 billion. Ed.*) The good news is that the Plan filed the valuation with the Government Pension regulator; which means another valuation does not have to be filed until January 1, 2011. This means we have 2 years to hope for some type of recovery. The other good news is that the Plan approved the increase in pensions in respect of service after 2007 for the January 1, 2009 increase. The increases for 2010 and 2011 are also approved unless the Plan elects to file another valuation before then.

In spite of the gloom and doom there is a remote possibility that the Plan could even file a valuation as of January 1, 2009 without a further contribution increase, solely because 80% of the equity losses are deferred to the next 4 years. Another positive, if there is one, is that the fall in the Canadian dollar in 2008 (Oct.) has actually increased the value of our foreign holdings, so that cushions the impact of the fall in the foreign markets. The Plan made a strategic decision a number of years ago to reduce our allocation to Canadian equities and increase our allocation to foreign holdings. That decision is now paying off.

Obviously, the Trustees are concerned about this situation and are monitoring things on an ongoing basis. What we don’t want to do is panic and sell already lower asset holdings into a declining market. We are well diversified, more so than before and our increasing allocations to things like infrastructure and real estate will further diversify our holdings. Things will turn around, they always do, and we just can’t predict when. Things went down after the tech bubble and we recovered from that.

If you have any concerns please reply to [powens@caatpension.on.ca](mailto:powens@caatpension.on.ca)  
Paul E. Owens  
Plan Manager & CEO  
416-673-9001

(For more information on the CAAT Pension Plan, visit their website at [www.caatpension.on.ca](http://www.caatpension.on.ca))

The diagram below is from *Plan Investments on the CAAT Pension Plan website*.



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## Brief Overview of the 2008 OCRA General Meeting

Joan Cunnington, Liaison and Public Relations  
[liaison@ocraretirees.ca](mailto:liaison@ocraretirees.ca)

The sixth general meeting of the Ontario Colleges Retirees' Association (OCRA) took place on October 25, 2008, at Fanshawe College in London. About 40 members and guests attended the meeting, which was hosted by Fanshawe College with assistance from members of Fanshawe College Retirees' Association.

The business portion of the meeting included reports from OCRA's officers, and proposed updates to the By-law. All of this information is available on the website at [www.ocraretirees.ca](http://www.ocraretirees.ca)

St. Clair College Retirees' Association presented a discussion paper on Extended Health Benefits, and a motion "that the OCRA executive be charged with lobbying for improvements to the CAAT Health Benefits Plans". It was moved, seconded, and carried.

Derrick May read an email to the members from Paul Owens, CEO of the CAAT Pension Plan, about the recent effect of the economy on CAAT pensions. Representatives from the Council,

OPSEU and OCASA participated in the discussions that followed these presentations.

The terms of directors Dorleen Allen (Mohawk), Susan Murphy (Georgian), and Bev Walden (Humber) having concluded, three new directors were elected to the executive: Anita Blair and Jim Martin (both St. Clair College), and Marion Hermes (Fleming). Hilda Moessner (Seneca), Lorna Plunkett and Stella Pulkinghorn (both Fleming) were re-elected to the OCRA executive. The terms of continuing executive members Linda Choptiany (Centennial), Gil Callingham and Joan Cunnington (Seneca), and Edith Davis (Fanshawe) conclude at the next general meeting.

In the "Retiree Association Showcase," a new feature of the OCRA general meeting, Pat Hallahan of St. Clair College Retirees' Association presented an excellent Powerpoint slide show giving details of the numerous activities and endeavours of the 300+ members of this busy college retiree association.

After a delicious lunch provided by Fanshawe College, keynote speaker Dr. Cornelia Baines of the University of Toronto provided illuminating insights into the Ontario Health Care system based on her experiences as a medical doctor, a patient, a research scientist and a professor at the Department of Preventive Medicine and Biostatistics at the University of Toronto.

The meeting concluded with another new feature of the general meeting - the distribution of a number of door prizes generously donated by a number of colleges, corporations, and individuals. Every person attending won something (big or small), and that's a good way to end a very successful general meeting!

OCRA would like to thank Fanshawe College for hosting the meeting and the donors of the door prizes for their generosity.

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*The following notices were sent November 17, 2008 to the Human Resources departments of the colleges by the Council. They apply to retirees with benefit coverage under the colleges' Retiree Plan Contract 22182.*

**College Compensation and Appointments  
Council on behalf of the Colleges of Applied  
Arts and Technology**

**REMINDER**

**RETIREES Plan Changes Under CAAT Retiree  
Group Insurance Contract 22182**

The is a reminder of the notice given to retirees on April 25, 2008 in regard to Plan Changes under the CAAT Retiree Group Insurance contract 22182.

**CHANGES ALREADY IN EFFECT  
EHC PLAN 1 Out-of-Country Emergency  
Medical Services**

**Effective September 1, 2008:** Out-of-country Emergency Medical Services coverage is limited to a maximum reimbursement of \$1,000,000 per claimant per calendar year. This maximum will apply to all claims incurred for travel commencing on or after September 1, 2008. If your trip commenced prior to September 1, 2008, this limit will not be applicable until your next trip out of the country.

**FUTURE CHANGES  
WHICH PLANS ARE AFFECTED?**

**Extended Health Care Plan 1 (EHC Plan 1) –  
Emergency Out-of-Country Medical Services and  
Private Duty Nursing**

**Extended Health Care Plan 2 (EHC Plan 2) –  
Private Duty Nursing only**

**WHAT ARE THE CHANGES AND WHEN WILL  
THEY BE EFFECTIVE?**

**EHC PLAN 1 – Out-of-country Emergency  
Medical Services**

**Effective July 1, 2010:** Emergency out-of-country Medical Services will no longer be covered under

this plan for any trip out of the country commencing on or after July 1, 2010.

**Please Note:** EHC PLAN 2 AND EHC PLAN 3 currently totally exclude any coverage for out-of-country emergency medical services. EHC Plan 1 current out-of-country emergency medical services coverage is not comprehensive travel insurance. Coverage is restricted to certain conditions and does **NOT** reimburse 100% of your expenses. It is strongly recommended you purchase supplemental travel insurance coverage when traveling outside Canada. Effective July 1, 2010, you will absolutely need to purchase travel insurance as this plan will no longer cover emergency medical expenses incurred outside Canada.

**EHC PLAN 1 AND EHC PLAN 2 – Private  
Duty Nursing**

**Effective July 1, 2010:** coverage will be limited to \$25,000. per claimant per calendar year. This benefit will continue to require the recommendation of a doctor (current coverage has no maximum).

**WILL THESE FUTURE CHANGES  
REDUCE MY CURRENT PREMIUMS?**

No. These changes are being made to help control future plan cost increases.

If you have any questions about this notice, please contact Mary Hofweller at 416-325-2909, [mary.hofweller@ontario.ca](mailto:mary.hofweller@ontario.ca) or Stephen Lee Kam at 416-325-2910, [stephenleekam@ontario.ca](mailto:stephenleekam@ontario.ca)

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**RENEWAL FOR RETIREE BENEFIT PLAN  
EXTENDED HEALTH CARE PLAN 1  
RATE INCREASE**

Premiums for the Extended Health Care Plan 1 are increasing by 14% effective February 1, 2009.

The following identifies why this rate increase is needed:

- ▶ Participation in Plan 1 increased by 14.5% while paid claims increased 29.7% over the same period last year. This means that the dollars that are being remitted to pay for claims and expenses are not keeping up with the

increase in claims that are being charged to the plan.

- ▶ Each year, premiums must be set at a level that covers the cost of the claims, plus Sun Life's expenses and the taxes that have to be paid to the government.
- ▶ Inflation on medical expenses is increasing at a rate well above general inflation and, particularly for drugs, is trending just over 15% per year.
- ▶ When you combine the fact that paid claims have increased substantially and that inflation will result in the cost of these same services being higher next year, there was no choice but to increase the premiums to cover the plan costs.
- ▶ For the 2009 year, Sun Life has not increased their expenses nor has the government increased taxes that need to be paid.

**\*NOTE: Premiums for Extended Health Care Plans 2 and 3 are not increasing February 1, 2009.**

### **IS THERE ANYTHING YOU CAN DO TO HELP KEEP FUTURE PREMIUM INCREASES UNDER CONTROL? YES!**

**Be a smart consumer** whether you are under or over 65. *(Even though you may think the provincial drug plan covers the cost of medications once you reach age 65, there are a significant number of medications that are not covered.*

*Claims for drugs for retirees and spouses over 65: Plan 1 – 41%, Plan 2 - 62%, Plan 3 - 95%)*

- ◆ Where possible, shop around for the pharmacies that have lower dispensing fees. For example, Shoppers Drug Mart has one of the higher dispensing fees while Zellers has one of the lower dispensing fees.
- ◆ If you are trying a new medication, make sure your doctor does not prescribe more medication than you need – i.e. you will be seeing the doctor in two weeks to find out how the drug is working but you get 1 or 2 months' supply. If the medication does not work, you will end up wasting the balance of the medication yet both you and the Plan will have paid for the full supply.

- ◆ Doctors frequently ask if you have a drug plan and, if you answer affirmatively, they are apt to prescribe the more expensive and newer of the medications that are available. Try asking your doctor if there is a less-expensive medication that will properly treat your condition? Sometimes there is!
- ◆ Make sure you know what services are available through your provincial government plans and community services. This information is readily available by logging onto your Provincial Government's health care web site **[www.health.gov.on.ca](http://www.health.gov.on.ca)** Using these no-charge services can significantly reduce the claims expenses that get charged against the plan.

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### **HEALTH ISSUES**

*Joan Cunningham, Liaison and Public Relations*  
[liaison@ocraretirees.ca](mailto:liaison@ocraretirees.ca)

Although the premiums for Plan 1 have increased again for 2009, a quick look at other extended health care plans available to retirees should provide some reassurance that CAAT Plan 1 subscribers are still getting comparatively good coverage. For example, let's compare the annual maximums that can be claimed for drug expenses in the plans that I surveyed a few months ago. (See chart at end of this article.)

The MROO Plan III, Follow Me Premiere, and CARP Five Star all have ceilings on claims for semi-private hospitalization as well as a lifetime maximum amount claimed per person. Another limitation in some plans is an age restriction, e.g. ages 50-75 for the MROO plan.

Full details are available in the spreadsheets I prepared a few months ago, and they are available by email only by request ([liaison@ocraretirees.ca](mailto:liaison@ocraretirees.ca)). I will update the spreadsheets when 2009 coverages and figures are available. **Remember, however, that this information is provided as a guide only and that specific questions should be referred to the sources listed in the spreadsheet.**

When making decisions about important items such as extended health care insurance, it is

always necessary to be a well-informed consumer. Anyone contemplating a change should research the topic thoroughly by considering CAAT Plans 2 and 3 as alternatives to CAAT Plan 1, and also check out the information that is available on the websites of many providers.

Here's the answer to some questions CAAT retirees have asked: "What is the CRGIAC, what does it have to do with the CAAT extended health care plans, how did it get there, and what does it do?"

CRGIAC means **C**olleges of Applied Arts and Technology **R**etirees **G**roup **I**nsurance **A**dvisory **C**ommittee. It is a committee of the Colleges Compensation and Appointments Council (better known as "the Council").

The CRGIAC is an advisory committee for the CAAT retiree extended health plans. Its purpose is to "act as an advisory body and assist the Council in ensuring appropriate benefit design and cost effectiveness of the group insurance benefit plans available for all eligible retirees." It also reviews the claims history and experience of all three CAAT retiree plans and makes recommendations to the Council for changes in premiums and coverage. The

CRGIAC meets several times throughout the year.

The committee was established in 2005 by agreement between the employers (the colleges) and the employees, OPSEU (faculty and support), and OCASA (administrative staff), when the new CAAT retiree extended health plans (1, 2, and 3) became effective.

Its members are:

The Council - 2 reps

The Employers - 2 Reps (1 senior finance and 1 senior human resources person)

OPSEU - 1 rep

OCASA - 1 rep

Retirees - 3 reps (1 academic and 1 support retiree, chosen by OPSEU); and 1 OCASA retiree chosen by OCASA.

As indicated, the retiree reps are retirees selected by the employees' representatives, OPSEU and OCASA.

Any group or individual wishing to communicate with the CRGIAC or any of its members should do so via the Council, c/o Mary Hofweller at [mary.hofweller@ontario.ca](mailto:mary.hofweller@ontario.ca) or Stephen Lee Kam – [stephen.leekam@ontario.ca](mailto:stephen.leekam@ontario.ca) (Mailing address: 2 Carlton St., 11<sup>th</sup> Floor, Ste. 1102, Toronto ON M5B 1J3)

Name of Plan	Annual Maximum Drug Claim	Monthly Plan Premium
MROO (Municipal Retirees of Ontario Organization) Plan III	\$900 per person	\$253.65 per couple
RTO (Retired Teachers of Ontario)	\$2,300. per person (Feb.1/09)	\$180.83 (Jan.1/09) per couple**
Follow Me Premiere	\$1,200 per person	\$306.00 aged 65-69 *
CARP Five Star	\$4,500 per person.	\$286.40 aged 65-69*
CAAT Plan 1	<b>UNLIMITED MAXIMUM</b>	\$258.47 family**

\* Premiums are age-banded, i.e. increase every five years of subscribers' ages in addition to any other premium increases that may occur annually.

\*\* Dental coverage premium not included.

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**Questions or comments about this newsletter?** Email the President at [president@ocraretirees.ca](mailto:president@ocraretirees.ca) or telephone 905-209-9435