

Association of Dalhousie Retirees and Pensioners

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4 June 2012

First Annual Report to The Human Resources Committee Board of Governors, Dalhousie University

Introduction – Who We Are, and Why Our Association Exists

The Association of Dalhousie Retirees and Pensioners (ADRP) is pleased to report to the Human Resources Committee of the Board of Governors. We believe that this first annual report will start to fill a gap in the continuum of oversight exercised by the Board.

The ADRP is a decade-old registered non-profit society, the membership of which comprises a substantial majority of the now over 800 Dalhousie pensioners. These pensioners enjoy an average age of 74 years. ADRP members include retired Dalhousie faculty, staff, administrators and surviving spouses. Some of our members continue to conduct research, publish, and teach. Many have been committed to the University for years and the status of their former departments today would be vastly inferior if not for the hard work and personal investment of some of these members during their years of active service. Often today's retirees played an integral role in the flourishing of departments and the successes of students in past years. Some still do.

A prime objective of the Association is:

to represent and to promote to the University community and to the public the interests of retirees from Dalhousie University (and its constituent parts) and their spouses and beneficiaries.

These interests include direct financial interests, such as pensions and benefits - both of which are addressed in some detail below - but also the intellectual, social and physical well-being of our members. These interests also extend to the health and vigour of Dalhousie and of the wider community, to which many of our members could contribute if the relationship of the University to its retirees could be made more productive.

In furtherance of this goal, the ADRP seeks mutually beneficial interactions with the University Administration. Although some members of Dalhousie's senior administration share this goal and appreciate our potential contributions, a regrettable number of Dalhousie's senior administrators appear indifferent toward retirees. We find this frustrating, to say the least.

Pension Matters– Loss of Purchasing Power, Lack of Involvement in Governance

The state of the Dalhousie Pension Plan remains of great concern to pensioners because since 2001 our pension payments have fallen further and further behind inflation. For the majority of pensioners the loss of purchasing power of their pensions has now exceeded 15%. In other words, pension payments to all those who retired from the University a dozen or more years ago would have to rise by nearly one sixth to make it possible for them to enjoy the living standard they had just after they first retired. This contrasts dramatically with the experience of those still employed at Dalhousie (including senior administrators) whose salaries have substantially risen and purchasing power has gained over the same period.

The ADRP does recognize pension indexation at Dalhousie depends to a large extent on investment results of the Dalhousie Retirees' Trust Fund [RTF] and that inadequate indexation partly resulted from reasons beyond Dalhousie's control: poor investment markets and exceedingly low interest rates. However, the University is responsible for at least two factors that have contributed negatively to retirees' losses in purchasing power over the past decade. First, over the fiscal years 2005 through 2009, pension management at Dalhousie appeared to suffer from benign neglect; performance was noticeable worse than in comparably-sized pension funds in Canada. Fortunately, during the subsequent fiscal year (2009-2010), some money managers were changed and relative performance of Dalhousie's funds improved. Second, although the RTF enjoyed modest surpluses during much of the past decade, the trustees decided to use only a minimal amount for discretionary indexation.

Regrettably, the ADRP was not permitted to influence or to make representations with respect to either of these factors. No ADRP member or RTF nominee serves as an RTF trustee at the present time. Furthermore, Dalhousie's senior administration has thwarted timely and accurate communication between the RTF trustees and our organization. In a time of crisis with pensions generally, and the Dalhousie Plan in particular, Dalhousie pensioners have an acute interest in what is happening to the largest asset most of us have.

Our association does have non-voting membership on Dalhousie's Pension Advisory Committee [PAC] and has been represented at every PAC meeting held over the last decade. The ADRP is also projected to be a member of the new Joint Committee studying the Dalhousie Pension Plan, a committee which was established by Letters of Agreement with employee groups through collective bargaining. It anticipates continuing to advocate for ADRP representation among the trustees of the Retirees Trust Fund (RTF).

Our association supported the University's efforts to secure temporary and then permanent solvency relief for our Pension Plan. Our representative appeared before the Law Amendments Committee of the legislature to comment on the proposed new Pension Benefits Act. Our representative made a submission to the Department of Labour on the somewhat flawed draft regulation associated with the new Act. We believe our long experience with the Dalhousie Pension Plan, and other work on university pension plans across Canada through the College and University Retirees Association of Canada provides useful assistance in ongoing efforts to sustain the Dalhousie Plan.

Benefits – A Frustrating Saga of Delay and Unilateralism

For five years, the ADRP has been attempting to resolve issues arising from grossly excessive premiums charged to the roughly 300 retirees over age 65 who were individual or family members of the University's Blue Cross Extended Health Benefits Plan. Premiums charged were two to three times higher than warranted by costs, a situation that had prevailed (and been tolerated by the University Administration, which should have been aware of the situation) since at least the year 2000, but likely for many years prior to that. To some extent, these excess premiums from retirees had been subsidizing the charges to current employees, but, in addition, a large surplus had accumulated in the Blue Cross account.

Many of the retirees who were overcharged are now aged 80 years and older. While securing refunds has been an urgent matter for ADRP, this has not been reflected in the University Administration's response to the situation. However, somewhat over a year ago, the ADRP and Administration agreed to a premium holiday for the oldest plan members. This was implemented effective 1 May 2011 for one year. Initially the University indicated that further refund discussions would then be deferred until collective bargaining with the employee groups was concluded, a position that held retiree's funds hostage to a process which excluded them. Discussions did resume last November and a second year of premium holiday was subsequently agreed to, but several more will be required to before all of the accumulated overpayments will have been repaid. We emphasise that these refunds do not come from the University's operating budget, but from the surplus accumulated in the Blue Cross account.

In April 2011, the Dalhousie Faculty Association [DFA] won a grievance against the Board of Governors on behalf of about 150 early retirees (under age 65) who had been removed from the Blue Cross Plan and enrolled without prior notification in a separate plan at a much higher cost (almost \$100 extra per month), contrary to the terms of their collective agreement. The remedy was to be agreeable to the two parties and the retirees. Hence, in July 2011, the ADRP (as representative of the retirees) were briefed on the proposed remedy: The early retirees were to be returned to the common plan, paying the same rate as active employees, effective September 1, 2011, and a mechanism for repayment of the excess premium amounts paid by this group since September 1, 2009, totaling about \$150,000, was implemented, also effective September 1, 2011.

Ongoing discussions on setting up a Retirees' Benefits Advisory Committee (RBAC) to provide a forum for regular review of retiree benefits have yet to reach a successful conclusion. This exercise began in November 2010, and seemed one that should be concluded in a matter of weeks, but progress thus far has been exceedingly slow.

Other – The Potential for Greater Engagement with Dalhousie’s Retirees

The ADRP founded, and continues its relationship with the Seniors’ College Association of Nova Scotia [SCANS], an organization active in Halifax, with satellite operations in Truro and Mahone Bay, and soon to be in Liverpool. SCANS has thus far proven wildly popular and has enabled many of our retirees to remain intellectually vigorous.

The ADRP was a founding member of the College and University Retiree Associations of Canada [CURAC] a decade ago. Together with the St. Mary’s University Retirees Association [SMURA], the ADRP co-hosted a regional CURAC meeting, a successful Atlantic University Retirees Associations conference in October 2011. In April 2012, ADRP representatives attended the national CURAC conference at the University of Victoria. Attendees were impressed by the extent of engagement of many other Canadian universities with their retirees. It would be useful and gratifying if Dalhousie could move decisively in this direction, too. The loyalty built among retirees through years of service to the University offers latent possibilities that to date have been largely unexplored.

In our second annual report in 2013 we look forward to reporting progress on each of the topics mentioned this year.