

Association of Dalhousie Retirees and Pensioners

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September 29, 2014

Mr. George McLellan
Chair, RTF Trustees
Dalhousie University

Dear Mr. McLellan:

Once again I am writing you to encourage the RTF Trustees to give strong consideration to awarding some catch-up indexation under sub- Rule 9(f) of the Dalhousie Pension Plan.

The Pension Plan Assets Interim Report to June 30, 2014 posted on the Financial Services web site shows that the RTF earned 14.27% after expenses in the year ended June 30, 2014. That excess over the required 4.55% return was sufficient to cover the additional 7% liabilities resulting from adoption of new mortality tables, and add to the RTF surplus shown in the actuarial report as of March 31, 2013.

In fact it seems likely the actuarial report as of March 31, 2014, which is soon to be delivered, and its extrapolation to Plan year end at June 30, 2014 will show the RTF surplus has increased to over \$35 million. The asset performance since then has demonstrated a usual fluctuation, but is unlikely to have decreased from the June 30th level.

In summary it would appear the RTF surplus of assets over liabilities is more than 10%. Figures supplied to Dalhousie's Pension Advisory Committee by the university's actuary in February 2014 showed that several years of catch-up indexation could be awarded for well less than the 50% of RTF surplus allowed under sub-Rule 9(f). That would restore a portion of lost purchasing power for those pensioners affected the most, and for the longest time.

We believe that a number of years of missed indexation could now be awarded and still leave the RTF with substantial surplus adequate to cover asset fluctuations.

Sincerely,

Carolyn Savoy
President, ADRP