ADRP NEWSLETTER

Volume 10, Number 3, September 2011

Association of Dalhousie Retirees and Pensioners

ADRP General Meeting
Wednesday, 7 December 2011 1:30 - Meet & Greet
2pm – 3:30 Meeting
University Hall, MacDonald Building, Dalhousie University
Elevator available

Membership fees for 2012 may be paid at the meeting.

Following the meeting there will be a Social from 3:30 to 5:30pm
Earl of Dalhousie Pub, University Club

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Editorial

Things that are of concern to ADRP have not been in stasis during this rainy summer but have moved ahead at a surprising pace considering the glacial rate of past years. The absurdity of the Blue Cross fiasco has at last penetrated the Senior Managements defenses with the help of an Arbitrator and a reasonable settlement for both early and regular retirees seems to be in the works. As Philip Welch our champion in this effort can testify, the senior management may not yet be weaned off their tactics of delay, but the end is in sight.

The same cannot be said of our considerable dissatisfaction with the management and investment returns of our pension fund, the RTF. It has become obvious that the RTF has for many years been managed for the benefit of what the Senior Management decided was in the best interests of the University rather than that of the Retirees This is in egregious conflict with the direct charge to the Trustees of the RTF to act always in the best interests of the Retirees. This situation is not exclusive to Dalhousie and many but not all funds in the country operate with little or no Retiree input or managerial oversight.

This edition of the Newsletter addresses these issues in three pieces, one by our President Randy Barkhouse and others by Bob Rodger and John Barry. Please give these important contributions your attention and respond by writing a letter of opinion to the Chairman of the Board, Dr. Jim Spatz,(Rm. 210, 6299 South St., Hfx, NS B3H 4R2). We would also appreciate a copy for our next Newsletter.

Editorial Policy: The ADRP intends to publish the newsletter every three months. It is hoped the newsletter will serve the following purposes:
To provide pertinent information;
To provide a forum for the free exchange of views o issues relevant to our membership;
To serve as a documentary record of matters relating to the ADRP.

The Editorial Board, under the ultimate direction of the ADRP Board, takes responsibility for the contents of the newsletter. Signed contributions will take the form of short articles and letters to the editor; these will normally represent the opinions of the author, and need not represent the views of the ADRP. Anonymous material will not be considered for publication. The Editorial Board retains the right to edit or reject contributed material and to elicit similar and opposing views surrounding any issue raised.

ADRP Phone (902) 404-7174 **E-mail adrp@dal.ca**

Postal Address: Association of Retirees and Pensioners,
Rm. 2831, Life Sciences Centre, Dalhousie University
Halifax. NS B3J 4R2

Visit the ADRP web site at www.adrp.dal.ca

President's Report, September 2011

The approaching end of summer is a reminder that the CURAC Regional Conference is drawing near on October 1 at St. Mary's University, co-hosted by ADRP and SMURA. At the time of writing a few seats were still available for which I encourage ADRP members to register. Details of the conference are available at http://adrp.dal.ca/arcconference.html. Attendees from throughout the region will be discussing what makes an interesting retirement, by being engaged with activities in your community, at your former employer university, and by engaging your mind through courses at your area seniors' college. Mental engagement has been found to be one of the most important factors in a healthy retirement.

To the latter point I'm reminded of another indicator of fall's approach, the fall calendar of the Seniors' College of Nova Scotia founded by ADRP several years ago, but now operating autonomously. See http://thescans.ca for details of courses to be offered at multiple locations in Halifax, in Mahone Bay, and in Truro.

Looking back a bit, it is gratifying to report final resolution of the remedy process for the early retirees Blue Cross grievance effective September 1. Those affected should now have received a memo from the Dalhousie Pensions and Benefits division, or will soon, indicating the amount of overcharges from the past 24 months which will be credited to their individual Retirees Health Expense Refund Account (RHERA). A wide range of eligible medical and dental expenses can be claimed against that credit for 24 months ending August 31, 2013, including Blue Cross premiums for that full 24-month duration.

As John Barry's Benefits report outlines many individuals including ADRP representatives, the Employee Benefits Committee, and the DFA executive examined the alternative remedies suggested by the University, and decided the RHERA offered the greatest potential benefit. While others were able to indicate their preference, it was the DFA as the party laying the grievance which made the formal agreement.

I once again credit past-President Dr. Philip Welch as not only the motive force for the grievance, but also with identifying the basis for arguing it to a successful conclusion. The early retirees who have benefited should clearly understand where their gratitude should be directed.

Our pension plan continues as a subject of active interest and discussion. Bob Rodger has written an article detailing some of the plan's history and also the more recent shortfall in indexing, with a useful tool for individuals to calculate their own percentage. What he nor anyone can calculate however is the future indexation of Dalhousie pensions. The provisions in the plan governing our excess-interest indexation method tell how to do the calculation, but can't tell us the future of investment returns on the assets in the Retirees Trust Fund. We know the 2008 meltdown has put a drag on returns needed to pay indexing, and that returns to date in 2011 are not promising. Given that the missed indexation of several years past must first be "made up", any new indexation of Dalhousie pensions that have started since 2007 is likely a few years off at minimum.
Governance of the Dalhousie pension plan, especially asset governance by the plan trustees, is a topic of continuing interest for the Dalhousie senior administration who advanced a new

governance proposal almost a year ago, for the employee groups, and for pensioners. Recall that Dalhousie has a deferral of solvency deficit payments until March 31, 2013, after which annual payments of about $7 million must begin unless the University pension plan in the interim conforms to expected new regulations for jointly governed and jointly trusteed pension plans. As far as I know there has been no further substantial discussion of the University's proposal, but with three collective agreements (DFA, NSGEU, NSUPE) in bargaining at present communication has become very tight. Certainly ADRP has not been part of any new discussions although there is provision for ADRP representation in the senior administration's proposal.

That provision would require that ADRP have as members at least 50%+1 of eligible pensioners. That provision alone makes recruitment of additional members very important, and our success with Blue Cross premiums and refunds for early retirees, and for the over-65 retirees demonstrates the advantage of a strong effective ADRP to which we hope all Dalhousie pensioners would be attracted. Our annual dues of $20 are modest and give outstanding value for the expenditure. Protection of our benefits is a major tenet of ADRP's mission, one recent activities have shown to be effectively done.

Beyond the administration's proposal we believe the provincial legislation governing plans registered in Nova Scotia requires extensive revision to strengthen pensioners rights respecting governance of their pension plans. Those not familiar might be surprised with the near-total absence of pensioner rights respecting plan governance. This is not just a Nova Scotia legal issue. In all provinces pension plans are regarded as a labor relations issue, subject to agreement between active employees through their unions and their employer. Even though pensioners may be beneficiaries of the majority of a plan's assets, there is almost no provision for their involvement in setting the rules for their plans, or investing its assets. Once you retire it is assumed that other parties will benevolently act in your best interests. ADRP has sent a letter to the Minister of Labor indicating principles and provisions for increased pensioner rights in pension plan governance which we believe merit consideration.

It would seem certain that pension plan issues will continue to be a top priority for your ADRP executive for the next several months.

ADRP Benefits Committee – John Barry, Chair (john.barry@dal.ca)

September is a reminder that we have a new "class" of members joining the ADRP, that is the "class" of new retirees many of whom began their retirement on Canada Day. Welcome!

The ADRP Benefits Committee is charged with monitoring our benefits coverages for both early retirees and "regular" retirees, those who have reached their 65th birthday. That means the committee is at your service concerning matters that involve our Medavie-Blue Cross coverage and for early retirees, AXA travel insurance coverage as well.

The current Benefits Committee consists of Mike Bradfield, secretary, Shirley Dean, Carol Smillie, Denise Sommerfeld, Philip Welch, Randy Barkhouse and myself.

The Benefits Committee has managed to have a meeting-free summer. Before long the committee will be back to work. I hope we will be able to get into new business this year following several years of work trying to right a long-standing grievance in which two decades of premium overpayments by Medavie subscribers aged 65 and over recently started to be corrected. The substantial surplus these overpayments generated provides the means for one halting step to a remedy by offering the eldest ADRP members a year of premium “holiday”. Further amelioration of the overpayment issue is unclear at this moment and Dal admin has not come forth with any proposal or information for us to work with during the entire summer. So $725,000 worth of remedy goes unremedied.

The matter of the early-retirees being separated off from the overall Medavie plan by admin was found to be in contravention of the DFA contract by a provincial arbitrator. The admin had substantially boosted the coverage rates during that interim period through to this date. These overpayments are to be remedied through a retirees health benefit account which will allow each of these subscribers to expend their overpayment credit over the course of two years by applying eligible expenses outlined by Canadian Revenue Agency.

It seems to have been quite easy for the Administration to raise the under-65 rate arbitrarily, yet apparently must be very cumbersome to reduce that rate appropriately given that they have yet to do so. That first step if taken in a more timely fashion might have served as a sign of intended goodwill and respect by Dalhousie administration towards the ADRP membership.

I expect eligible recipients will have received an individual letter conveying information on the amount of the individual’s credit by the time the ADRP Newsletter is distributed.
This will be a letter from Lee Crowell, Director, Employee Benefits.

This “health benefit account” remedy is based on an agreement reached by the DFA. Subsequently, the EBC concurred with the agreement.
We rely upon solidarity with our previous employee groups. But post facto, ADRP was extended the courtesy of presenting our view on the matter.
Thus, in early July, Randy and myself met with Lee and Kirk Shand, the university’s benefits advisor from Mercer Canada. The pros and cons of several methods of overpayment recompense were presented and Randy and I were able to agree without much dallying, that the method of the aforementioned health benefits account was the most propitious. More details on this matter can be viewed on the ADRP website at http://adrp.dal.ca on the Home page and particularly in the Newsletters archive.

The new work I mentioned earlier that I hope the BenComm can get into was engendered at our AGM in late April . Member Joan Walker asked whether we could get better coverage than we currently have. She asked about provision for a better quality lens than that provided by MSI following a cataract operation.

I hope improvement to our coverage is feasible but at the moment it requires us to lobby for such improvements via the Employee Benefits Committee where we don’t even get a hearing let alone a vote.

With the recent DFA grievance settlement BenComm member and former EBC member, Mike Bradfield, answered a recent query from me as to how we go about negotiating these improvements.
His response - " … The answer presumably depends on our status following the DFA win. Are we all included in the plan, again, or just the early retirees…?".

My thanks to the committee members for their continued labour on our behalf.

Philip Welch has chaired the Employee Benefits Committee in the past, has chaired the ADRP Benefits Committee and is ADRP's immediate past-president.

Here he poses some caution and direction for us on the topical subject of seeking a better benefits package than we currently obtain. John Barry

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Many ADRP members have expressed understandable dismay at the poor financial reimbursement provided in the Dal Blue Cross Plan for 'insured health care expenses', such as hearing aids, eye glasses, and ambulance costs--to name only a few.

The magnitude of the reimbursement for those items covered is probably the poorest of any Blue Cross Group Plan in the province.

I think it would be most unwise for the ADRP to raise complaints about these items, because it would encourage the Univ. Admin. to suggest that retirees have their own separate plan, independent from the Dal. Group Plan. This would then cut off the retirees from the benefits of our participation in the overall Dal. Plan, which has all the built in advantages of a large group, in which all costs are spread over a large number of contributors.

What ADRP members need to do is to lobby our respective related employee groups, each of which has representation on the EBC, to have the dollar amounts of these insured items increased and brought closer to 'real world' costs.

Success in this endeavour would be most beneficial to the employee groups, because all their benefits are subsidised 50--60% by the University. They would thus be getting much improved benefits at a discounted rate, due to the Dal. subsidy.

Surely with a little concerted effort we can do this successfully .

Philip Welch

ATTENTION, FELLOW ADRP MEMBERS

If you want to be ahead of "the game":

Please think about paying your 2012 membership dues within the next four months. 2012 may seem a long way in the future, but it will be here quickly.

If you do pay before December 31st, I won't be nagging you to "pay up", after the new year.

You can send your $20.00 (No Increase!) by mail or bring your dues to the Christmas December meeting.

By Mail:
Gweneth Mounteer
ADRP Membership Chair
Room 2831, Life Sciences Building, 1459 Oxford St.,
P.O. Box 15000
Halifax, NS, B3H 4R2
OR
Gweneth Mounteer
ADRP Membership Chair
45 Coles Rd.,
Lower Sackville, NS, B4C 1T9

Cheque or money order made payable to:

ADRP 2012 Membership

For further information, you may contact me at:
gweneth.mounteer@bellaliant.net

Upcoming Events
CURAC 6th. Atlantic Region Conference: "Engaging with Your Community, Your University and Your Mind" Saturday, October 1 9am, Sobey Building, 4th. Floor, St. Mary's University, 903 Robie St., Halifax, NS

ADRP General Meeting: Wednesday, December 7 1:30pm University Hall, MacDonald Building, Dalhousie University. To be followed by a Social time at the Lord Dalhousie Pub, University Club.

Opinion's Page - from our Members:

Dalhousie's Pension Subversion – Robert Rodger
Pension Poor and Getting Poorer:
The discussion of Dalhousie University Staff Pension Plan (Plan) matters by ADRP President Barkhouse in the June 2011 ADRP Newsletter, and especially his mention of possible contributions and bequests to Dalhousie's current Bold Ambitions Campaign, stimulated me to comment on the dubious administration of the Plan, due in part to the inequitable composition of the Board of Trustees (BoT) of the Retirees' Trust Fund (RTF), and in part to how these trustees conduct their business

You may recall that pension payments from the Plan used to be by annuities purchased from insurance companies by the Pension Trust Fund (PTF), into which contributions were made by each employee and by the employer on her or his behalf. However, effective on 30 June 1982, the Plan created a second, new fund to pay pensions. That was the RTF, which had its own BoT. The RTF receives a pot of money from the PTF for each employee as he or she retires. The pot of money transferred is enough (together with the interest it will earn) to pay the retiree's pension for life. The revised Plan text made provision for indexing the pensions to protect them against erosion of their purchasing power by inflation. That indexing depends on how well the RTF investments perform, and that depends, in part, on how wisely the funds are invested.

How Big Is Your Pot? The latest actuarial valuation of the Plan shows that on 31/3/2010 there were 742 people receiving Dalhousie pensions. The assets in the RTF paying those pensions were just over $291 millions. It follows that the average Dalhousie pensioner had just over $291M/742 ≈ $392,000 available to pay her or his pension. Of course, some pensioners had larger amounts and some smaller.

Had you any idea that so much money was sitting there for you on 31 March 2010? Do you think it is fair that you have absolutely no say on how those rather large assets of yours are invested and administered, or no say in choosing who will represent you in making such decisions? The RTF trustees make those decisions, and they are appointed by the employer. For Dalhousie pensioners, the lack of beneficiary representation on the RTF BoT is a major problem with the Plan.

Maybe you think the money in the RTF belongs to the employer; so it is quite proper that you have no say. That is not correct. You are not able to take your 'share' out of the RTF and put it in the bank, but neither can the employer. The Deed of Trust for the RTF is perfectly clear on this matter. It says that the capital and income of the RTF are for "the exclusive benefit of the retired [Plan] members and their beneficiaries. . ." This same ownership principle has been upheld in a number of legal proceedings across Canada over the years. The money in the RTF emanated from your contributions and contributions from the employer on your behalf, as part of your contract of employment.

Nevertheless, the Plan is commonly described as an employer's pension plan. That means the employer is responsible for ensuring that the Plan remains viable and is fairly administered on your behalf.

A Typical Pension: The 31/3/2010 actuarial valuation tells us that $18.315 millions were paid out in pensions over the 9-months ending on 31/3/2010. It follows that, for a 12-month period, the typical pension was about 12×$18.315M/(9×742) = $32,911 (roughly the average for the 742 pensioners). Since Dalhousie made no indexation increase in its pensions in January 2010, it makes some sort of sense to take $32,911 as an hypothetical average pension for the year 2010, but I will use the simpler figure $30,000 as an illustrative, typical pension for 2010.

Pension Indexation: The Plan limits January indexation to the size of the RTF investment percentage averaged over the prior three years (July to June), subject to certain holdbacks. January indexation is further limited to the annual percentage increase in the All Items Consumer Price Index for Canada (CPI) as of the previous June. The logic is that, if you receive the CPI% increase, your pension income will keep up with inflation; so allow you to continue to live in your customary way. By January, this June-based 'keep up with inflation' change is actually somewhat delayed – but better a little delay than no 'keep up' at all.

Actual Dalhousie pension indexation brought the pensions up to the CPI limit in January 2001 and 2002 but, because of poor RTF investment results, indexation fell short in January 2003, and there was no indexation in January 2004 and 2005. Indexation picked up somewhat in January 2006 and reached the full, one-year CPI limit in January 2007 and 2008, only to fall short in January 2009 and vanish in January 2010. There was no indexation applied in January 2011; so the typical 2011 pension can also be taken as $30,000. There have been suggestions that no indexation is likely in either January 2012 or 2013.

What effect does all this peek-a-boo indexing have on your pension? I think you know something about it because you can feel the pinch of the lower purchasing power of your pension. You will learn more about that from the next paragraph.

Adjusted for Inflation: If I take $30,000 as the typical year 2010 and 2011 pension, I can scale it back, year by year, using Dalhousie's actual indexation formula to find what it was in year 2002. That year 2002 figure is $28,090. Now I will increase that year-2002 pension of $28,090, year by year, by the relevant annual CPI%. That yields a 2011 pension of $33,071. It follows that the typical 2011 pension of $30,000 has fallen behind inflation by $3,071 or 9.29%. We need to increase the $30,000 by 10.24% to get $33,071. Furthermore, as well as the $3,071 loss in 2011, there have been quite large annual losses against inflation over the last six or seven years. In fact, if we add up the annual losses to inflation from 2003 to 2011, for our year-2011 $30,000 pensioner, her or his cumulated total loss is $17,600.53.

Another example: a 2010 = 2011 pension of $25,000 when CPI indexed from year 2002 would now be; $25000×$33071/$30000 = $27,559 so that retiree is losing $27,559-$25000 = $2,559 to inflation in 2011. And her or his total loss from 2002 to 2011 is about: $25000×$17600.53/$30000 = $14,677.11

The financial losses that Dalhousie pensioners are suffering are awful – but worse than that – they are a disgrace because they arise to a large extent from inappropriate behaviour by those on the BoT who seem to feel obliged to follow the dictates of Dalhousie's Senior Administration (SA). The financial losses are, in a sense, involuntary contributions to Dalhousie's assets. That is because these losses likely reduce additional pension contributions the employer could otherwise be required to make. Nevertheless the SA has the audacity to seek further contributions or bequests from us for its Bold Ambitions Campaign – Bold indeed!

You may recall that, at its General Meeting on 12 December 2007, ADRP voted to reduce or eliminate undesignated donations and bequests by ADRP members to Dalhousie University until the pension shortfall was settled. I certainly cancelled my donations and bequests.

If you are interested in your own pattern of losses since 2002, login to ADRP's web site at:

http://retireesandpensioners@dal.ca

and click the icon PenLoss. That will ask you to type in the month (mm) and year (YYYY) you received your first Dalhousie pension-payout; and it also asks for your 2010 annual pension ($$$$$.$$). It will then output a table across the screen showing your CPI indexed pension, year by year (from 2002 or later); your actual Dalhousie pension year by year; and losses. If you started pension before the year 2000, you can simply type in 002000 and your 2010 pension (the program does not use the actual number mm for the month when YYYY is less than 2000). If you started pension after 2002, you can see what you *could* have lost if you had been on pension earlier, by restarting PenLoss then typing in 002000 and your current pension. The data you type in is not saved; so remains confidential to you.

Where's The Money? It's easy to criticize, but how could the RTF board of trustees have done anything else? The answer is that they have the right under the Plan to spend up to half of any surplus in the RTF to make up lost inflation protection, but that correction is at their discretion. The latest valuation to 31/3/2010 showed an RTF surplus (or excess) of only $750,000 but, more to the point, the valuation to 30/6/2007 showed an RTF surplus of $50.942 millions. The use of a decent amount of that surplus would certainly have reduced the shortfalls we have seen above. The actuary reports also 'smoothed' values of the surpluses ($750,000 'smoothed' up to $13.236 millions and the $50.942 millions 'smoothed' down to $39.99 millions). Those adjustments remove much of a fund's interest/loss that was beyond what was anticipated! It is a manoeuver to show how more stable earnings might have behaved – but the hard fact is that RTF truly had $50.942 millions more than needed on 30/6/2007.

Why was a sensible correction not done? The SA told the trustees that the employer's lawyer said the RTF could not be considered in isolation from the rest of the Plan, i.e., the Pension Trust Fund (PTF) had to be included in the calculation of surplus. The PTF had a deficit of $113.772 millions on 31/3/2010 (better if 'smoothed'), and $18.845 million on 30/6/2007 (worse if ‘smoothed’). Note that the total (RTF + PTF) was a deficit of $0.750 - $113.772 = -$113.022 millions on 31/3/2010; but on 30/6/2007 the total was a surplus because RTF + PTF = $50.942 - $18.845 = $32.097 millions (much less if ‘smoothed’). It follows, therefore, from the 30/6/2007

valuation that the ‘must be total’ argument need not have prevented full or near-full catch-up indexation on 1/1/2008. In 2008 the typical pension had fallen over $2,000 below inflation, with a total loss of almost $9,000 over the six years.

The DFA obtained a legal opinion that said the ‘must be total’ interpretation was wrong. The employer (and the trustees) were unmoved.

Of course, the trustees might have thought the DFA’s lawyer could be biased. But did they not consider that the employer’s lawyer could be biased? Why did they not seek an independent legal opinion? A motion was moved at a BoT meeting to seek an independent legal opinion. That motion was defeated. Why did the BoT behave this way? I believe the answer is that the majority of them believe they are a sub-committee of the Dalhousie Board of Governors (who appointed them); so they are there to do the Governors’ (and SA’s) bidding. Nothing could be further from the truth. They have been ‘entrusted’ to care for the pensioners’ pension monies, see that those monies are wisely invested, and properly accounted for. Trustee primary duty to beneficiaries is a classic legal duty

As you may know, the DFA grieved the ‘must be total’ interpretation, and the arbitrator ruled in DFA’s favour early in 2009.

Conflict: Consider the fact that most of the RTF trustees are BoG or SA members, and these same people are PTF trustees. Then there is the fact that the PTF deficit might be offset somewhat by the RTF surplus. That offset would be larger if no ‘catch-up’ indexation was paid out from the RTF. Finally note that the law requires that large deficits be reduced, and that would require the BoG to contribute significantly more money into the PTF. Can you see the temptation for the BoG and SA members of the BoT to say ‘must be total’ must be right? Surely you can you see that is a conflict of interests.

Need For Change: The bottom line is that, if you (the pensioner) had been properly represented on the RTF board of trustees, your representatives might have persuaded the others to seek a second opinion of their own, and made sure that the trustees did not ‘march to the SA tune’. When do you think the ADRP can persuade the Dalhousie Board of Governors (BoG) and Senior Administration (SA) to change the composition of the RTF Board of Trustees in a fair way? If you have been watching the actions of the BoG and SA over the last 30 or so years, there is an infernal freezing day that will spring immediately to mind! The problems will have to be corrected some other way.

In my opinion, the Dalhousie employer has often been notably resistant to giving reasonable consideration to personnel and human factors – an astonishing state of affairs for an institution of higher learning. You have encountered some of that recently both with the pension issue above and with the employer’s intractability over Blue Cross insurance matters.

The Management of Your Money: The investment performance of the RTF has been notably weaker than the 2008-2009 recession can account for. Some investment managers performed poorly for some years beyond the point where they should have been replaced. Rather than raising these matters, the BoG members of the BoT mostly seem to 'rubber stamp' what they are told by the SA. The SA therefore has an over-riding (and quite improper) influence on most of the trustees of the RTF, hence on the RTF itself. The system badly needs to be improved.

But that is not all. Changes were made to the RTF and the PTF investment mixtures in 2006. Some of the more profitable types of investments were moved from the RTF into the PTF, and some of the less profitable types from the PTF into the RTF. On the face of it, that looks like rather a strange action. However; now it is likely that the PTF will perform a bit better than previously, and the RTF will perform a bit poorer. Poorer RTF performance will produce rarer and/or smaller surpluses; so there will be less 'pressure' on the RTF BoT to exercise its discretion and payout some of the RTF surplus as additional catch-up indexation. Meantime, any extra gains in the PTF stay in the PTF; reducing the risk that the Board of Governors (BoG) might be legally required to add more money to the PTF (see the **Conflict** paragraph above). Surely the BoG and SA members of the funds Board of Trustees appreciated that crystal clear logic when they voted to change the asset mixes in 2006. Did they appreciate that they were in an unconscionable conflict of interest?

As if the above action was not outrageous enough, changes have been proposed by the SA to increase the RTF's assumed rate of interest. Such a change would reduce the size of each pot of money to be transferred from the PTF to the RTF for each employee retiring. Those reductions in what would otherwise be the RTF size, will add indexing injury to insult!

Who Are You To Complain? This is not the way to treat 742 Dalhousie pensioners. If we assume that these pensioners served Dalhousie for an average of only 20.2 years each, then they have contributed about 15,000 years of service to the institution. You have heard that 60 or more years ago Dalhousie was considered to be "A Little College by the Sea", but it has now become a nationally-recognized institution of higher learning. Among the thousands of young people who graduate from Dalhousie University and move on to successful careers, there are a number of business leaders, prominent CEOs, successful financiers, and professionals renowned in their fields such as education, law, medicine and other professions. Who has played the crucial rôle in creating all this success? That was the pensioners – you my dears!

Change the Law: What we need is for the NS provincial government to modify pension legislation to make it mandatory for pensioners and employees to have at least equal representation with the employer on boards of trustees of pension plans, and for such representatives to be selected by the pensioners and employees or their associations/unions (where such exist). Such representation already occurs across Canada, including here in Nova Scotia. Furthermore, in 1995 the British government legislated mandatory employee/pensioner representation on occupation pension boards in that country.

Also pensioners need effective veto power over Plan changes that would adversely affect indexation arrangements.

The revision of pension legislation by the NS Legislature has been under consideration for some time and it seems likely that some revisions might be brought to the table this fall. Now is

therefore the time for unions, seniors' organizations, and individuals such as yourselves to contact MLAs and urge them to include the requirement of fair representation (as outlined above) of employees and pensioners on Boards of Trustees, and similar agencies, of pension plans in Nova Scotia.

Check the Money: It also seems clear to me that the administration of the Dalhousie University Staff Pension Plan over the last 6 years needs to be reviewed by an independent financial consultant. The consultant would be asked to report on how well the funds were invested. Among other things, that would examine (a) the ways in which meetings and decisions of the BoTs were inappropriately or inadequately guided, (b) the choices of asset mixes, from time to time, as endorsed by the trustees, (c) the mandates for investment performance of the investment managers selected by the PTF and the RTF trustees and how actual performance compared with those mandates, (d) actions taken (or not taken) by the BoTs to correct inadequate performance by investment managers and (e) the adequacy of information provided to the BoTs. One may have reservations about governments interfering in the detailed operations of universities, but on this matter of competence and equity in financial actions affecting so many seniors, there seems to be no reasonable alternative but to ask the NS provincial government to appoint an independent financial consultant for the task.

Tales from the Dalhousie Woods

--Or what your betters did not want to tell you elders

Warning—this document contains information which may cause an increase in blood pressure.

Once upon a time, actually about 50 years ago, Dalhousie University started an auxiliary Health Plan coverage for its employees, with benefits provided by Blue Cross, and 50 to 60% of the premium was contributed by Dalhousie University.

When employees retired, they were invited to continue their Blue Cross Plan membership, provided they picked up the University's contribution.

The retiring employees $\geq$65 years were told that they and their family members would have no access to drug or travel benefits (which amount to ~72% of the total cost of the Plan). They were NOT told that they would pay the same premiums as paid on behalf of regular employees, who have access to these benefits.

Some Questions and Answers

Q. How much money, over and above the value of the benefits received by the ≥65 retirees was actually received by the University?

A. According to the University's own estimates, for the 7 year period prior to 2008 -- $709,000.

Q. What happened to this money?

A. It went to reduce the overall cost of the Plan, thus helping both the University and the employees still working.

Q. What about retirees' premium payments over the 20-30+ years prior to 2001?

A. The University claims to have no figures for this interval. But the retiree premiums over these years approximated those of regular employees just as they did for 2001 to 2008, and they also had no access to the Blue Cross Drug Plan.

Q. Did Dalhousie University know about this gross inequity?

A. This is unclear; the University Benefit former consultant had, on occasion, verbally stated that he was aware of this overcharging of retirees. What is completely clear is that this ongoing inequity was NEVER brought to the attention of the Employee Benefit Committee, in all these many years, until 2008.

Some unkind critics might reasonably claim that IF the University Administration did NOT know—It **should have known**; since a quick glance at the retirees' premiums, with comparison to premiums paid to Blue Cross on behalf of employees in any of these years, instantly reveals them to be almost identical.

This overcharging of regular retirees was brought to the attention of the Employee Benefit Committee, by the undersigned, in a hard copy letter sent to each and every member of the Committee, in June 2008. No reply has ever been received.

This logjam of inaction was finally breached by an appeal to the Chair of the Board of Governors Human Resources Committee in December 2008.

To cut to the current standoff, ≥65 Retirees will know that as of the 1st of April 2010, their premiums were reduced to 45% of those paid in early 2008. Please don't wait for an administrative explanation as to the reason for the percent reduction and its calculation. (Our calculations place it closer to 30%).

In addition, a plan is slowly being formulated for the regular retirees to gain some financial recognition for the hundreds of thousands of dollars donated to the University in excessive premiums from 2001 to 2008.

Throughout all this mess, what happened to the 'early' retirees (those who retired prior to age 65) who elected to remain in the Blue Cross Plan? They had access to all the Blue Cross benefits of regular employees, and they paid the same premium as the regular employee members of the group plan.

When the University Administration realized that they could be losing the $70-80 thousand dollar annual subsidy to their Blue Cross Plan, provided by the regular retirees, they quickly cut off the early retirees from their membership in the Dalhousie Group Plan, and in September 1, 2009, jacked up the premiums for the early retirees by almost 60% and then further increased on April 1, 2010. This was a blatant violation of the DFA Collective Agreement. The DFA, encouraged and abetted by the ADRP, launched a grievance appeal on this matter. As expected, this grievance was upheld by the Arbitrator on the 14th of April 2011. Unfortunately, the ruling did not specifically include a 'cease and desist' order. Perhaps the Arbitrator did not feel such to be necessary, but did not appreciate the character and determination of the Dalhousie University Administration. For the next seven months the Administration has continued to collect these excessive and illegal premiums. We hope this will soon cease, and that there will be an appropriate compensation plan for the 12 months—now 24 months—of extracting excessive unwarranted premiums from the early retirees.

I believe that we can anticipate a full explanation and apology from the University Administration for all these punitive actions against their retirees; just as soon as Hell freezes over.

J. Philip Welch
Past President, ADRP

From the Editors: We welcome contributions from you to our newsletter. This is your newsletter so if there is an important milestone in your life, or in that of another ADRP member that you know about, or if you have an opinion to express, just email us at either kenrozee@eastlink.ca or tcreighton@eastlink.ca or write us in care of the ADRP, Rm. 2831, LSC, Dalhousie University, Halifax, NS B3H 4R2.

IN MEMORIAM

It is with sadness that we announce the death of the following ADDRP members. Our sincere condolences to the families.

Dr. Peter Aucoin – July 8, 2011, Halifax. At the time of his death, Peter was Professor Emeritus of Political Science and Public Administration at Dalhousie University. He was a leading international scholar in his discipline, a distinguished and award-winning teacher and a valued policy advisor to government departments and agencies in Canada and abroad. In 2006, he was elected a Fellow of the Royal Society of Canada and in 2007 was made a Member of the Order of Canada. He taught in the Political Science Department from 1970 until his retirement in 2009. He is survived by his wife Margot Anne, daughter Nicole and sons, Paul and Richard.

Dr. James Murray Beck – June 30, 2011, Halifax. A Professor Emeritus of Political Science, at Dalhousie University. After receiving a Ph.D. form the University of Toronto, he taught at Acadia, The Royal Military College of Canada, and for 17 years in the Department of Political Science at Dalhousie. He received honorary LL.D.s from Dalhousie, St. Francis Xavier and the Royal Military College; Was elected a Fellow of the Royal Society of Canada in 1976, and became a Member of the Order of Canada in 1993 and a Fellow of the Royal Nova Scotia Historical Society in 2004.

Dr. Henry (Harry) Whittier – September 17, 2011, Halifax. Harry received his Ph.D. from Yale University and after coming to Canada, he taught in the English Department of Dalhousie University for thirty years, during which time he was also the author of three books. From 2008 to 2010 he was a highly esteemed instructor for the Seniors' College Association of Nova Scotia. A memorial service will be held at King's College Chapel on Friday, Sept. 23 at 2pm to be followed by a gathering in the King's Senior Common Room. Our sincere condolences to his wife, Pearl, and family.