MINUTES OF THE SEVENTEENTH MEETING OF THE CONCORDIA UNIVERSITY PENSIONERS' ASSOCIATION HELD ON TUESDAY, OCTOBER 24, 1995, 10:30 A.M. IN ROOM H 767, THE FACULTY CLUB LOUNGE IN THE HALL BUILDING

17.1 Call to Order

The meeting was called to order by the President, J-P Pétolas. Over 50 members were in attendance. In his introductory remarks, the President read greetings from three of our out-of-town members; Peg McMurray in Toronto, who expressed regret that a hip injury prevents her from joining us; Alexa Parkin in Berwick N.S., who mentions the increasing costs of health care in her Province; and George Snowball in England, who tells about his lawn bowling exploits (in response to Libby Gardham's item in the last CUPARUC).

The President also welcomed and announced the names of the 28 new members who had joined the Association since the April meeting. They are: Ida Gold, Francisco Tomas, Patricia Harries, Leonda S. Adler, Suzanne P. (Phil) O'Doherty, Alex Newell, Louise Wing, John Yelle, Pat Oelmann, Philomene Mancuso Prince, Benito Citton, Lloyd Parsons, Yvon Perret, Wayne Spears, Nicki Bulzan, Arthur Noseworthy, Sharron Lee Reynolds, Muriel McCullough, Gaétan Montplaisir, Joyce Barclay, Pierre Chevrier, Fausta L. DeSouza, John Rossner, Henri Thériault, Athanasios Christodoupoulos, June Duncan, Joan L. Johnstone and Paulette Bird. Also, he regretfully advised the meeting of the fact that Rollande Paquette and Harvey Mann had passed away during the intervening time.

17.2 Approval of the Agenda

The agenda was approved as circulated.

17.3 Approval of the Minutes of the Meeting of April 26, 1995

Since a summary of the meeting appeared in the last CUPARUC, the minutes were not mailed to the entire membership. The official minutes of the meeting of April 26, 1995 were distributed to the meeting and were approved on a motion by Libby Gardham, seconded by Dagmar Brodie-McDougall.

17.4 Business Arising from the Minutes

Any business arising from the minutes appears under "Reports" or elsewhere on the agenda.

17.5 Reports

17.5.1 Report of the Representative on the Pension and Benefits Committees

Muriel Armstrong reported that there were three new developments to report since the April meeting. The first being that the Board had approved the automatic annual indexing of pensions on a basis of CPI **minus** 2% provided that the investment performance of the fund has increased by more than 5% over the percent of indexing. For example: if the indexing amounts to 1%, the fund must earn 6% for the indexing to be paid. The actuaries, having reviewed the fund performance and the indexing over the last 15 years, found that this limitation would not have been a constraint under this new formula.

The second development concerns health insurance premiums. Last year the difference between the costs to the plan compared to the premiums received for the retired group were so good that a 12% decrease in premiums was granted. The costs this past year have risen by about 75%, prompting the actuaries to recommend an 11% increase, however the Committee decided to impose only a 6% increase. As a result the health insurance premiums will increase, for example, by $0.72 on a $12.00 per month premium.

The third item is the unknown effect on health care costs of the recent influx into the ranks of the retired group of the 77 administrators and staff members who took advantage of the Early Retirement Incentive Programme (ERIP). While these people are younger (between 55 and 65) than the majority of the typically retired group, and presumably in better health, the actuaries point out that the largest expenditures in the health insurance area amongst the "active" employees is the cost of reimbursement of prescription drugs. Since prescriptions are not covered by Medicare until the age of 65, there is no way of telling what impact this group of new entrants will have on the plan usage for the retirees.

Muriel also updated the group on three other areas in which there was little or no progress to report. Those being: 1) that no further bargaining units within the University had "signed-on" to the Dental/Vision Care plan; 2) that because the Benefits Office in Human Resources had been totally involved with the ERIP, the revision of the health benefits booklet is still pending; and 3) nothing has been done to provide access to the "Internet" for retired members. Computing Services would have to charge a user fee if such a service were to be provided unless the University were willing to cover the charge.

In response to some questions, Muriel stated:
- that the indexation would be on an annual basis (not bi-annually as in the past);
- that the premiums are calculated for the "active" (employed) members and the "non-active" (i.e. retired) members of the Health Insurance Plan as separate groups, hence the different rates; and
- that our pensions and benefits are, and will continue to be, paid in Canadian dollars.

17.5.2 Report from the Programmes Committee

Geoffrey Adams reported that the visit to the IMAX theatre earlier this month proved to be quite a success. All attendees found it to be a spectacular and entertaining show. He reminded the members that the next event on the schedule is a visit to the Centaur Theatre on November 15, where "Take the Floor" is showing. This is a light and entertaining musical type play based in South Africa. Also, for those who wished, some of the participants were meeting for brunch at "Le Cepage" near the theatre before the performance.

Forthcoming events will be brought to the attention of the membership in the near future. Some of the activities being considered (aside from the Annual Luncheon to be discussed later) include a bowling party, a Casino visit and a Sugaring-off party.

17.5.3 Secretary-Treasurer's Report

John Hall presented a Statement of Expenses and Income for the Fiscal Year (June 1, 1994 to May 31, 1995). It indicated an opening balance of $1568.84 with total expenditures during the year of $2287.09 and total revenues of $3058.00, leaving a closing balance of $2339.75 plus a petty cash float of $24.58 for a grand total of $2364.33. In addition he presented a similar statement for the current year up to September 30, 1995. This statement shows an overall balance of $2000.80 with expenses of $449.02 and income of $90.00 (additional fees will be coming in during the Fall months). As previously reported there were 28 new members with 2 deaths since the April meeting. Thus, the membership stands at 256, the first time the membership has exceeded 250 people.

At this point of the proceedings, since our guest speakers had arrived, the Chair interrupted the agenda and moved to the following item.

17.6 Guest Speakers: Ms. Emanuela Barbato, Senior Trust Officer, and Ms. Caroline Simard, Manager, Business Development of CIBC Trust.

In introducing their subject Ms. Simard stated that they had both been involved with the Financial and Trust business since their respective graduations from Concordia (Ms. Barbato in 1982 and Ms. Simard in 1985). CIBC Trust came into existence in 1992, as a result of changes in the Bank Act allowing banks to enter the Trust aspect of the financial market. Upon purchasing Morgan Trust at that time, the company grew from two offices (in Montreal and Toronto) to about 15 offices all across Canada. They now deal with all aspects of trusts, such as estate planning, estate administration, wills, etc. Therefore the discussion at the meeting dealt with the Will, the Liquidator (the term now used for the Executor), the Estate Distribution and some of the Legal and Tax issues involved in the Estate Planning process.

The Will is a written document which states the deceased's intentions for the distribution of assets in a timely and efficient manner. A Will provides control over asset distribution, minimizes taxes, provides for an efficient settlement of the Estate, and to name Guardians in the event younger children are left behind. A Will should be updated any time there is a change in personal circumstances, such as getting married or remarried, separated or divorced, acquiring new dependants, a major change in assets, changes in business arrangements, or when there is a change in legislation (such as the recent change to the Quebec Civil Code). An individual who dies without a Will is deemed to be "intestate"; the Provincial law determines how the Estate is to be distributed and the beneficiaries become the Administrators of the Estate. The law also states how and in what proportion the Estate is to be distributed under these circumstances.

There are three different types of Wills in Quebec: the Holograph Will, a hand-written document which does not have to be witnessed, the English Form Will, typewritten, signed by the originator and two witnesses (the type usually drawn up by lawyers) and the Notarial Will (specific to Quebec) drawn up in front of a Notary, and registered with the Chamber of Notaries. This last is the most advantageous form of Will under the new Civil Code. The advantage of a Notarial Will under the new Civil Code is that, while the other forms of Wills have to be probated, the Notarial Will does not. Under the new Civil Code the probate process, designed to ensure that the document presented is in fact the Last Will and Testament of the deceased, and that all potential beneficiaries are advised of the fact that the Will is being read, can be a long and costly process, during which all assets and transactions of the Estate are frozen. This is the reason why one should consider getting a Notarial Will.

The Liquidator (formerly called the Executor) is the person or corporation designated to put the Estate plan (Will) into action. The duties of the Liquidator have become more cumbersome under the new Civil Code. These duties include: to interpret the Will; to assume responsibility for and to manage and administer the assets; to deal with financial and tax issues; to distribute the Estate according to the requirements of the Will; if required, to maintain on-going management of the Estate (e.g. in the case of a testamentary trust); to prepare Federal and Provincial tax returns. The Liquidator must be available; must be experienced (i.e. have some idea of the laws involved and of investments, etc.); be financially responsible; and be impartial. A trust company is the only corporate body that can be named as a Liquidator. It can be named as the "Sole Liquidator" (as the agent for the liquidator); or as a "Co-liquidator" (with a member of the family); or as a "Contingent Liquidator" (in the event that both spouses, named as executors, die at the same time).

Estate distribution can be done in two ways: outright distribution (where the assets are transferred directly to those named in the Will; or through a Testamentary Trust (where a trust fund is set up with the assets which are transferred after certain conditions have been met, - e.g. when a minor reaches a certain age). Testamentary Trusts are usually established to protect children (providing for their care and guardianship), adults, (spousal trusts), spendthrift, incapacitated or dependent individuals. The on-going management of a Testamentary Trust involves investment management; asset administration; tax return preparation. Trustees can also be given discretion to deal with asset income and the power to encroach upon the capital. Trusts may last for two generations before they have to be liquidated (and become taxable). Liquidators and Trustees can be the same persons.

Regarding other legal and tax implications, there is no estate or succession tax in Canada or the Provinces (as yet). However, capital gains taxes apply since the assets are deemed to be disposed of at fair market value at death. Spousal trusts can defer capital gains taxes in certain circumstances. US Estate Tax will apply to US-held assets and will be based upon total US assets held. No tax is payable in the US by a non-resident on the first $60,000 of assets, but an increasing amount will be charge on the excess, up to a 26% tax rate.

The Mandate is a separate document from the Will and provides an individual with the opportunity to designate someone to take over decision-making responsibilities in the event of mental incapacity. If a Mandate does not exist,the Public Curator's Office will take over the administration of the assets of that individual. One person or a group (e.g. Family Council) or even a Trust Company can be designated as a Mandatary. Mandates can be changed at any time should circumstances change. The Mandate has to be probated (i.e. to "prove" the mental incapacity) in order to come into effect.

The Power of Attorney is another document which the individual draws up to designate someone, deemed trustworthy, to take over certain asset and fiscal responsibilities in the event of physical incapacity. These powers can be granted or taken away as the individual wishes, since mental incapacity is not involved. A Notary can draw up both a Mandate and a Power of Attorney in one document.

The fees charged by the Trust Company to act as a Liquidator can be from 2 to 4% of the Estate (a one-time fee). However, under the new Civil Code, anyone designated as a Liquidator has the right to charge the normal professional fee unless a fee is specifically stated or forbidden in the Will.

The naming of individuals as Liquidators, Mandataries, or as having Powers of Attorney should be reviewed frequently, in order to ensure that those so designated still have the competence, capability and facility to carry out their duties. This is one of the factors favouring designating a trust company in these circumstances, since they offer continuity, professional asset management, flexibility, financial protection (ordinarily being backed-up by a bank) and have the necessary resources to carry out these duties in an impartial manner.

To put all of the above into perspective, about 50% of Canadians do not have a Will, and of those that do have a Will, over 50% of their Wills are not properly done or result in the individual being partially intestate.

Bruce English thanked Ms. Barbato and Ms. Simard for a clear, concise and enlightening address in an area of particular importance to the membership. He commented that it was his hope the shares of the parent organization of CIBC Trust would not drop any further, otherwise he would have to return to his old job. Emanuela and Caroline, being members of the Employee Share Purchase Plan, echoed his wishes.

The Chair returned to the original agenda at this juncture.

17.5.4 Report from the Coalition of Quebec Seniors / Coalition des Aînés

Geoff Adams mentioned that, during the summer, he presided over a committee of the Coalition whose mandate was to develop a comprehensive report on such things as pensions, health and housing, as they affect seniors. Therefore, when the Coalition is faced with pressures from one government or another, they will have a set of principles or a position from which to take a stand in order to defend the interests of seniors in these three vital areas. The final report of this committee is imminent.

Geoff also mentioned the INFORMACTION project which had been started with a $100,000 grant from the Federal Government to develop and to provide a data base of information for and about seniors, to which seniors would have access. He stated that the original grant has now expired and since it was a "one-shot" grant the programme is in need of funds to continue its development work. Its next step is to provide seniors with training sessions on the Internet in order to obtain and share information. The Coalition intends to set up a site on the "World-Wide Web", so that members of the Coalition can have a presence on the Internet and to circulate information about Quebec seniors, their activities, services offered and their concerns. Quebec seniors will therefore have access to information that meets their needs. Geoff Adams then suggested the following motion:

"That the Association make a one-time donation of $100.00 to the INFORMACTION PROJECT" to assist them in continuing the development of the project." The motion was moved by Frank Tomas, seconded by Kurt Jonassohn and carried unanimously.

17.5.5 Chair's Report

The President thanked all of the members who have made reports and remarked on the energy and active participation of the members to keep the Association functioning. Also, in the absence of Jim Whitelaw, he noted that there were three issues of CUPARUC this past year instead of two. He expressed his thanks to the efforts of Jim Whitelaw, the Editor and Publisher of the newsletter, as well as a vote of thanks to the contributors who provide the interesting contents of CUPARUC.

J.-P. also brought to the attention of the members a request from the Concordia Centre for Human Development of the Psychology Department to recruit volunteers from CUPA for a project called "Senior VIP" (Volunteer Involvement Project). This project is a three-year research study funded by Health Canada.

They would like to contact retired people who are 65 years or older, who are not presently involved in volunteering. Following an interview to determine skills, interests and goals, the volunteers will be able to select from a wide range of job opportunities, requiring a commitment of about three hours a week for six months. Interested parties were asked to contact the researchers involved in this project, Dr. Myrna Reis or Dr. Dolores Gold at 848-2258.

The President also felt that, in view of the fact that the membership profile is changing with the influx of younger members as a result of the ERIP, perhaps it is time to launch a new survey amongst the members. The survey's purpose would be to determine what changes (if any) have occurred in the interests and expectations of the membership about how CUPA can best serve them and vice-versa.

17.7 Other Business

17.7.1 Annual Luncheon

The Annual Luncheon would be held on Thursday, December 14, 1995 from 11:30 a.m. in the Loyola Faculty Club Dining Room. Since the parking was now sub-contracted, on-campus parking would cost $3.00 for the period of the luncheon.

17.7.2 Appointment of Nominating Committee

Since the term of office of two members of the Executive Committee (Dagmar Brodie-McDougall and Stan Kubina) is expiring next May, it is necessary to appoint a Nominating Committee. The tradition has been to have the Vice-President chair the committee. Therefore the following motion was proposed by Mona Osborne, seconded by Muriel Armstrong, that: "Geoff Adams be appointed to Chair the Nominating Committee, consisting of at least two other members (one from each Campus), to recommend to the membership suitable candidates to fill the vacant positions on the Executive Committee." The motion was carried.

17.7.3 Nomination of Representatives on the Pension and Benefits Committees.

The terms of office of the Representative of the "Non-active" Members (Muriel Armstrong) and the Alternate Representative (Larry Bessner) on the Pension and Benefits Committees of the Board of Governors, will be expiring on December 31, 1995. It has been the practice in the past for CUPA to nominate candidates to these positions. This time Muriel has agreed to stand for re-election as the Representative, but Larry has indicated his intention not to seek office as the Alternate Representative. However, John Hall has agreed to stand for this function. There being no other candidates nominated, a motion was proposed by Christine McKay, seconded by Madeleine Gratton, that: "Muriel Armstrong be approved as the nominee for Representative of the Non-Active Members, and that John Hall be approved as the nominee for the Alternate Representative to the Pension and Benefits Committees of the Board of Governors". The motion was carried.

17.7.4 Other Items

Henry Beissel raised the question of obtaining a list of organizations offering senior discounts. It was suggested that perhaps the Executive Committee could look into such a list. Also it was suggested that he might contact the Canadian Association of Retired Persons (CARP) for such a list.

Geoff Adams read from a letter concerning the recent establishment of special food services for seniors in the NDG - Montreal West area. They are willing to provide free demonstrations of their facilities to anyone who is interested in this service. The letter was originally sent to Libby Gardham. Details of the service are available from her.

17.8 Next Meeting.

The next meeting of the Association will be the Annual General Meeting to be held on Wednesday, April 24, 1996 at 10:00 a.m. in the Sir George Williams Faculty Club.

17.9. Adjournment.

The meeting was adjourned on a motion by Madeleine Gratton.