MINUTES OF THE TWENTY-NINTH MEETING
OF THE
CONCORDIA UNIVERSITY PENSIONERS' ASSOCIATION
HELD ON
THURSDAY, OCTOBER 25, 2001
IN ROOM H-767 S.G.W. FACULTY CLUB LOUNGE

29.1 Call to Order and President's Remarks

The President, John Hall, called the meeting to order. The President welcomed the new members to the Association and also noted the death of several of our members since the last meeting. He also added a special thank you to all those retirees who attended the recent Annual Pension meeting. He noted that the expected call for election did not occur and it was felt this was partly due to the large turn out of retirees.

29.2 Approval of the Agenda

A motion by Henry Bissell to approve the agenda as circulated was seconded by Geoff Adams. Motion carried.

29.3 Minutes of the Meeting of May 10, 2001

The Minutes of May 10, 2001 Annual Meeting were distributed. Ken Adams moved approval of the Minutes. Seconded by John Fiset. Motion carried.

29.4 Business arising from the Minutes

Business arising from the Minutes appears under "Reports" or elsewhere in the Agenda.

29.5.1 Alliance of Quebec Seniors

Geoff Adams reported that he had been our delegate to this group for several years and has been unsuccessful in obtaining a replacement. He also feels that it might be time to consider CUPA's disconnecting from this organization. The group has re-constituted itself and appears to be functioning as a report giving committee on matters of interest to Quebecers. Nevertheless he is still hoping that a volunteer will come forth to partake in the Alliance's activities.

29.5.2 Programme Committee

Bob Pallen reported on the following activities. The Day at the Races will be held at the Hippodrome on Sunday, November 18th. We have guaranteed a minimum of 20 people to attend. To date, six individuals have indicated that they will attend the event!! On December 6th we will hold our Annual Luncheon in the SGW faculty Lounge. Notification of this event will be mailed shortly. In late March or early April of next year, we will hold a sugaring-off party; this event usually costs about $12.00. In early May, there will be a Big Band Dance evening at the Dorval Community Centre.
Bob noted that he is concerned with the lack of enthusiasm among the members.

29.5.3 Secretary-Treasurer Report

Audrey Williams presented the Statement of Income and Expenses for the period of June 1, 2000 to May 31, 2001. Total Income for this period was $13093.83 and total expenses were $6029.58 leaving the Association with a closing balance of $7064.25.
The Association is healthy financially due in large part to the cooperation of the members in paying their dues promptly.
The main sources of income are of course the membership dues; in addition, two of the events, i.e., the Day at the Races and the Annual Luncheon more or less pay for themselves. The Day at the Races is self-supporting while the Annual Luncheon is partly subsidized by CUPA. This enables more individuals to attend this yearly get-together. As the price of the Luncheon has remained the same for over five years, it has been decided that there will be a small increase.
The postage and printing costs continue to be the main expenses of the Association, but these provide an essential contact with our members and are one of our main lifelines to our members.
The membership presently stands at 429, but is in continual flux. In an effort to increase our membership, a list of the current members is available. This was in response to a request made last spring by some members. The list would enable any present members to determine who isn't a member and to possibly encourage them to join our Association.
Lastly, a word of acknowledgement was extended to Bérangère Gaudet-Tremblay for her assistance with numerous translations during the year as well as the revision of the french translation of the ARUC/CUPA Constitution. The revised and updated Constitution will be mailed to all members in the spring. Secondly, a sincere note of appreciation to Guy Gervais for his assistance during the past year and half with the reconstruction of the database as well as the updating and necessary refinements.

A motion to accept the Financial Report was made by Henry Bissell and seconded by Bérangère Gaudet Tremblay. Motion carried.

29.5.4 Pension and Benefits Committee

A) Pension Committee:

Pension Fund Investment Performance: Market conditions were generally poor during the 2000 year and the increase in market value for our pension fund was only ten Million on 488 million, though the actuarial value increased by $27 million. This was slightly above the average for large Canadian pension funds.
So far in 2001 there has been an estimated drop of 7% in the market value for the fund owing to the extremely difficult general market conditions. This loss was small compared to the average loss for Canadian large funds which was almost three times that of our Fund. This indicates that our Committee's decisions concerning money managers and the policies we set for them have been successful, and that our managers' performance has been quite superior.

Class Action Suit: The CSN lawyers have now moved to have the court rule on whether their class action can be heard. It is believed that the court will not move on this request until early next year.
Meanwhile CUFA (the faculty union) has strongly urged the University to split the plan between them and the CSN staff unions. The University has finally agreed to consider the split. At the last Benefits Committee meeting, a motion was passed to establish a sub-committee "to study the matter and report on possible options and their implications". Mr. Ron Lawless, Chairman of the Committee will chair this sub-committee, and the members will include Board member Judith Cavanagh, and one of the Committee representatives from the "Academic Staff (i.e.CUFA)", one from the Administrative and Support Staff and one from the Non-Actives Representatives (each of these to be chosen

by the representatives in their own constituencies). John and Howard decided that Howard Fink would be the Non-Active Representative on this sub-committee, as John Hall would be sitting on the sub-committee to choose the new Health Insurance carrier. John and Howard have discussed their major concerns relating to any such split with both the Mercer pension consultant Réal Lamarche and with Vice-Rector Marcel Danis, who is responsible for any such split. Their concerns include the possibility that in the process of the split, the Plan would have to be closed, and the surplus distributed before re-opening (as in the case of Laval University); this would effectively deprive Non-Actives of their share of the surplus. Both Danis and Lamarche reassured them that no closing of the Plan would be necessary in any split; and Danis added that closing the Plan would be just as disadvantageous for the University as for the Non-Actives, for the University would also be blocked from their practice of sharing the surplus.

Another concern raised with Danis was how retirees and other Non-Actives would be partitioned between the two Plans by the split. It is clear that many retirees would prefer *not* to be in the new CSN-influenced Plan. Danis assured them that he would insist that each retiree have the choice of which Plan he or she would enter. John suggested that *all* retirees be grand fathered to the so-called CUFA Plan; and Danis said that was a possible alternative.

Finally, Danis discussed the voting representation for Non-Actives in any so-called CUFA Plan. While CUFA would welcome Non-Actives as "guests" only, Danis recognized that Non-Actives hold over 52% of the present Fund, and he assured John and Howard that the Non-Actives retirees would not lose their current voting representation.

All these issues will have to be worked out in the Sub-Committee. But it is reassuring that Marcel Danis feels comfortable supporting the positions of the Non-Actives representatives.

Refinement of Indexing Formulas: John Hall and Howard Fink have prepared a proposal for refining, simplifying and improving the indexing formula, which has been communicated to the Benefits Committee. In view of the current discussion regarding the splitting of the Plan, all other matters have been pre-empted for the present. Report on this matter will be made at a later date.

B) Benefits Committee:

Demutualization of the proceeds related to Group Basic Life Insurance Plan for Retirees

- The Sun Life Assurance Co. decided to demutualize (i.e. change ownership from policy-holders to shareholders) and declared January 28, 1998 as the effective date for determining premium proceeds to pay out to policyholders. Concordia has held its Employee Life Insurance Policy with Sun Life for many years.
- Concordia has paid the full premium for **Basic Life Insurance** coverage for its employees and retirees since employees did not have to contribute to the cost of this life insurance; however, tax laws require that these employer-paid premiums be considered as taxable benefits so this amount is added to one's income for the year in which the insurance is paid.

  Concordia University has indicated that it is willing to share the proceeds 50/50 with the plan members. The university will put its 50% share into scholarships.

  A sub-committee of the Benefits Committee was struck to determine the best way to distribute the proceeds to the members. Any cash amount of the proceeds paid to individual plan members would be considered as a **one-time lump sum dividend and taxed accordingly*.**

  * N.B. Had we accepted to receive the proceeds in cash, it would have been paid to all the eligible individuals, as a **one-time** lump sum payment of approximately $450 a large part of which would be paid in taxes for the year in which it is paid.

After much discussion with all representatives of the interested parties (active faculty, active staff, retirees and the Administration), it was concluded that any distribution **should try to be as tax effective** as possible. Because each party had different requirements and terms of reference, each group decided upon the most effective way of distributing the proceeds.

- For the retiree group, the University proposed that, if we agreed to put our share into a scholarship (in the name of the Concordia retirees) they would agree to replace up to the first $10,000 of our life insurance with a **premium free up to $10,000 death benefit.** This means that the premiums that we are required to pay tax on each year **will be reduced by an average of $240 per year** for those with $10,000 or more of present coverage. (For those with less than $10,000 of current coverage, there will be no taxable benefits.) This amounts to an annual tax-free benefit of up to $240 for the remainder of the retiree's life. This benefit will apply to all **present and future retirees.**
- This proposal has been discussed and ratified by your Executive Committee and is in the process of being implemented. The University has also agreed to put its 50% into the scholarship fund in the name of the Concordia retirees who will decide on the criteria for scholarship eligibility.

- *A motion to accept this proposal as put forward by the University and ratified by the CUPA Executive was made by John Fiset and seconded by Susan Drysdale. Motion carried.*

Scholarship Committee: The Scholarship Committee, which was created last year, has been reactivated in the light of the above events and will be meeting to decide upon the modalities of implementing this plan. We will be consulting with the Office of Financial Aid and Awards to make the plan as effective and broad-based as possible. The committee has representatives consisting of former faculty members and former administrators but we would like to include two former staff members. Anyone interested in participating in this committee should make their wishes known to John Hall.

Health Insurance: Out of-province Travel: The "Out of Province" coverage for travel will be increased to a maximum of 180 days **per trip** as of January 1, 2002. This means that those who leave their home province **after November 2, 2001** will be covered for 60 days (under the present policy) and then (as of January 1, 2002) will have a maximum of 120 days left in their "bank" of out of province coverage. The present reinstatement period of 30 days after the 180 days have been used up remains in effect.

Health Insurance: Processing prescription drug claims for members age 65 or over: Clarica is unable to process claims for prescriptions for members age 65 and over who are on the RAMQ plan through the "drug card" system and maintain the same level of coverage as those under the age of 65. As a result, the drug card for those 65 and over will be deactivated as of January 1, 2002 and all claims for prescription drugs will have to be submitted manually using the written form, which is available from Clarica or the University Benefits Office. The card will still be essential for identification purposes for hospital or paramedical services and for travel purposes. It is important to remember that the Concordia plan pays 80% of the cost of prescription drugs listed on the RAMQ formulary whereas RAMQ only pays 75%. Also the Concordia plan pays 50% of the cost of the prescription drugs not listed on the RAMQ formulary. Therefore you should submit all your prescription receipts to Clarica (with a claim form) for reimbursement. All claims for this year should be submitted no later than April 1st of next year.

Health Insurance: Premium differential – 65 and over vs. under 65:
Your representatives on the sub-committee studying the renewal of Health Insurance rates for 2002, made the case that those members age 65 and over, living in Quebec, are required to join the RAMQ plan for prescription drugs. As a result, they have to pay the RAMQ premium in addition to the Concordia health Insurance premiums. Since the majority of their expenses are covered under the RAMQ plan, this should be recognized by having their premiums under the Concordia plan reflect their lower cost to the plan. Therefore as of January 1, 2002 the premium structure will be changed to provide separate premiums for the two groups in accordance with their respective claims experience. This means that (based upon drug claims experience from the 65+ members over the past 32 months) the premiums for those members will be approximately 14% less than the premiums for members under 65.

Health Insurance: Going to Market:
Due to the fact that:

a) Clarica is unable to effectively administer the current design of the health insurance plan; and
b) the participants have voiced considerable dissatisfaction with the level of services provided by Clarica; and
c) the perception of Clarica as an effective service provider has become seriously compromised; and
d) since the health insurance plan is a major component of Concordia's benefits program which must be administered in an efficient and effective manner with client service as a priority:

The Benefits Committee has passed a motion to:

a) go to market for a new carrier for the Concordia Health Insurance, Dental Insurance and Short Term Disability plans currently contracted with Clarica. The transition to the new carrier will take effect on January 1, 2003; and
b) establish a sub-committee to prepare the tender documents required under the MERXX process (the process required by public funded institutions to issue public tenders for contract bids). This sub-committee will include one of our representatives.

29.6 <u>Amendment to Article 4 – Officers; Secretary Treasurer</u>

The following amendments to the CUPA Constitution were proposed and approved by the Executive at their meeting on August 30, 2001

Article 4 OFFICERS:

"The Secretary-Treasurer – The Secretary-Treasurer shall keep Minutes of General and Executive Committee meetings. He/she shall receive and respond to all correspondence and shall be responsible for the safekeeping of files and records and other Association documents.

The Secretary-Treasurer shall be responsible for the financial management of the Association and be the authorized signing officer for the payment of indebtedness approved by the Executive Committee. He/she shall submit a financial report to the Annual General Meeting."

To be amended as follows:

"The Secretary shall keep Minutes of General and Executive Committee meetings. He/she shall receive and respond to all correspondence and shall be responsible for the safekeeping of files and records and other Association documents. He/she will be responsible for the safekeeping of files and records and other Association documents.

He/she will be responsible for the CUPARUC Newsletter mailings and other documents such as notices from time to time.

The Treasurer shall be responsible for the financial management of the Association and be the authorized signing officer for the payment of indebtedness approved by the Executive Committee. He/she shall submit a financial report to the Annual General Meeting. The Treasurer will be responsible for maintaining the Membership list. He/she will also assist the Secretary in mailings of the CUPARUC Newsletter and other documents such as notices as required"

*In addition a **consequential amendment** to the above motion to amend Article 4 and Article 7,which will reflect the changes, brought about by the original motion.*

Audrey Williams presented the motion to approve the original and consequential amendment, seconded by John Fiset. Motion carried.

29.7 Other Business: None

29.8 Guest Speaker: Mr. Gilles Bourgeois, Executive Director of Human Resources and Labour Relations:

The President introduced Mr. Gilles Bourgeois and the following members of his department: Mr. Mike Leduc, a systems analyst who has developed a computer programme to provide up dated information regarding all benefit programmes for the department; Ms. Nicole Desrochers who is responsible for all insurance matters regarding the benefits programme; Mr. Ernest Haigh, well known to all retirees.
A visual presentation of the web site regarding the Benefits programmes for the Human Resources department was presented. Further information regarding this web site will be communicated directly to all retirees and employees. (A brief summary of the presentation is in the CUPARUC Newsletter, Volume 11 #1 January 2002)

29.9 Next meeting:

The next meeting will be the Annual meeting, May 2, 2002.

29.10 Adjournment

The meeting adjourned on a motion by Geoff Adams and seconded by John Fiset.