

MINUTES OF THE TWENTY-FIRST MEETING
OF THE
CONCORDIA UNIVERSITY PENSIONERS'
ASSOCIATION
HELD ON
THURSDAY, OCTOBER 23, 1997
IN ROOM H-767 (SGW FACULTY CLUB LOUNGE)

21.1 Call to Order

The meeting was called to order by the new President., Geoff Adams. Over 60 members were in attendance. In his introductory remarks, the President thanked his predecessor, J.P. Pétoles, for his excellent

contribution to Association matters. The President

also expressed his gratitude to John Hall for his years of service as Secretary-Treasurer and reported that John would continue as a member of the Executive Committee as Vice-President. He also noted that John had arranged with the Director of University archives Nancy Marelli, to handle CUPA documents and had, in fact, turned over to archives a large number of documents from previous years.

21.2 Approval of the
Agenda

A motion to approve the agenda as circulated, duly seconded, was received and carried.

21.3 Approval of the Minutes of the Meeting of April 29, 1997

As has been the practice, a summary of the meeting of April 29, 1997 appeared in the next issue of CUPARUC, rather than incurring the cost of mailing the minutes to the entire membership. The official minutes of the meeting of April 29, 1987 were distributed to the meeting and were approved "as read" on a motion

21.4
Arising from the Minutes

Business

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

21.5 Reports



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21.6 Report of the Representative on the Pension and Benefits Committees

John Hall, our representative on the Pension and Benefits Committees made the following presentation:

The purpose of this report is to apprise you of the activities of the Concordia Pension Committee and the Concordia Benefits Committee. Each Committee has a distinct and separate role to play. The Pension Committee's mandate is to administer the Pension Plan, including the responsibility of the management of the Plan Fund. The Benefits Committee is responsible for the design of the Pension Plan and of administration of other benefits (such as Group Life, Health, Dental and Vision Care Insurance plans). This report will cover the major activities of these two Committees since the Association's last meeting on April 29, 1997.

1. FALRIP 1997 and ERIP 1997



As reported by Muriel Armstrong last meeting, a second round of Early Retirement

Incentive programmes was launched in the Spring. The first phase of FALRIP 1997 offers was aimed at faculty members and librarians aged 58 years or older. This resulted in 27 (out of a potential 129) retirements. The first phase of ERIP 1997 offers, aimed at Administrative and Support. Staff aged 54 and older, resulted in 40 (out of a potential 100) retirements. FALRIP 1997 Phase II, targeted towards faculty and librarians aged 57 is now underway. ERIP 1997 Phase II targeted to Staff aged 53 will be launched over the next few weeks. A further offer to Faculty and Librarians aged 56 and Staff aged 52 may be made depending upon the number of those who accept the current offer.

2. Over the Summer months the Benefits Committee reviewed several enhancement options and recommended the following three enhancement packages to the Board of Governors which were approved. These packages provide a little of something for everyone.



- a. Increase the normal form of pension to a ten year guarantee (presently it is a 5 year guarantee). Starting January 1998 this will apply to all active members (except those committed to retire under the FALRIP and ERIP programmes). This has the effect of increasing the value of the pension at retirement; of increasing the commuted value of pension payable upon termination of employment or death before age 55; and of increasing benefits for death in active service after age 55.
- b. One-time Ad-hoc Indexation. This applies to all retirees who retired from active service as of or prior to December 31, 1994.

This indexation provides

an indexation of 1% for each year (prorated for any fraction of a year) between retirement date and December 31, 1996. Payment of this indexation will be retroactive to June 1, 1997.



- b. Excess Interest Indexation. This indexation is in addition to the regular indexation of CPI minus 2%. It will come into effect as of December 31, 1997, and will be payable as of June 1, each year. The payment of an Excess Interest Indexation is not guaranteed since it is dependant upon the fund's performance. The principle upon which this concept is based is as follows.

Should the Pension Fund's Real Rate of Return be in excess of 5% (based on a 2 year rolling average) this will provide an indexation of up to 2% to make up for the 2% discount applied in the regular indexation policy.

Please note that the sum total of the combined indexations cannot exceed the total CPI in any given year.

Note: these
enhancement have increased the fund
liabilities by an estimated 8.8 million dollars.

3.

Health, Dental and Vision care Insurance premiums. The Benefits Committee is in the process of reviewing the claims experience of these plans. While the cost of claims per employee is up slightly for Active employees and down slightly for Retired employees, the consensus is that premiums should remain unchanged. This is due to the fact that costs for retirees tend to fluctuate in greater cycles than those for

active employees. Since the current rates are virtually the same for

active and retired employees and to stabilize the potential large swings in claims experience for retirees, the two groups will be merged into one group for experience ratings purposes henceforth. This will bring about more stability in the premium costs in the future.

4. Pension Plan Annual Meeting. The Annual meeting of the Pension Plan will be held on October 29, 1997 at 5:30 p.m. in the J.A. DeDeSèveinema, on the main floor of the J.W. McConnell Building (the Library Building). This meeting provides all members of the Pension Plan the opportunity to meet the Pension Committee, to receive information about, and to discuss the Plan administration.
5. CSN Legal Action concerning the Pension Plan administration. At its last meeting the Committee was informed that the University Administration had been advised that the CSN intended to take legal action concerning the University's

contribution to the Plan. Since actual documentation has not, as yet, been submitted, the details are still unclear. CUPA members will be kept informed of any important developments in this situation as they unfold.

This concludes this report. I would ask the Chair to propose a motion concerning the nomination of Representatives to the Pension and Benefits Committees.

6. Nomination of Representatives to the Pension and Benefits Committees.

The Chair explained that the mandates of the present incumbents are due to expire in December 1997.

Notice of nomination and election of candidates to the position of "Representative of Non-Active members" and an "alternate Representative", will be sent out from the Human Resources Office during the month of November. This association has always taken an active role in this nomination to ensure that the retirees and other non-active members of the plan are adequately represented on these two important committees. The term of office for these positions is for two years.

As a result the following motion was proposed for the consideration of the membership.

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"That upon a call for nomination, The Concordia University Pensioners' Association endorse the following individuals as candidates for the designated positions:

Mr. John L. Hall as
Representative of the Non-Active
Members
Dr. Howard Fink as Alternate
Representative."

The motion was approved by the
members in attendance. 21.5.2

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Report from the Programmes Committee

A small group of amateur astronomers enjoyed a Chinese buffet before moving on to the Dow Planetarium for an interesting multimedia presentation entitled

"Destination Mars". It was reported that the next events during the Fall season would be an afternoon brunch in the Centaur Dining Room of the Hippodrome de Montréal ("Blue Bonnets") and the Holiday Luncheon. The January - March period would include the traditional Valentine's

Day visit to the Montreal Casino and the Sugaring-off luncheon.

Mary O'Toole and Audrey Wells indicated that they would be available after the meeting if members wished to express their interest in "day trips".

Secretary-Treasurer's Report

John Hall, as outgoing Secretary-Treasurer, presented a statement of Expenses and Income for the fiscal year ending May 31, 1997. It showed an opening balance as of June 1, 1996 of \$1,349 with total expenditures during the year of \$4,383. and total revenues of \$4,028, leaving a closing balance of \$994. The excess of expenditures over revenues was due in large part to increases in printing and postage costs because of a large number of new members, plus the fact that in their first year new members do not pay dues.

Geoff Adams mentioned that the Association continues to maintain its membership in the Coalition of Quebec Seniors and to support its activities.
He and



Madeleine Graton regularly attend meetings which deal
21.5.4

t from the Coalition of Quebec Seniors Report



with a wide variety of issues of concern to seniors. Current priority is the tackling of health issues with Minister Rochon.

21.5.5

Chair's Report

The Chair reported that he and Bruce English met with Vice-Rector Charles Emond to present their arguments for office space on the University premises. It was pointed out that, with the large increase in Retirees, it is becoming more and more difficult, and very inconvenient, to operate out of members' homes. Office space and equipment, including a telephone, would also enable the Executive to better serve its members.

The Chair stated that, as follow-up to the suggestion in last year's survey that we cooperate with the three alumni associations, he had contacted two of the three, and that the response had been polite rather than enthusiastic. The Book Fair, put on last year by the VCs (Concordia Volunteers), including members of

CUPA, would be repeated on Feb.25th with a target of \$10,000 for student scholarships.

21.6. Guest **Sneakers** - William R. Milloy and Stephen J. Hall

Sun **Life of Canada**

William Milloy and Stephen Hall made an interesting and convincing presentation on the need for careful financial planning on the part of retirees. The following matters were highlighted:

- the implications of the introduction, in 2001 of the Federal Government's Seniors' Benefit Plan;
- the fact that the age at which RRSP's must be converted to a RRIF, LIF or annuity has been lowered to 69, effective 1997, so that those whose 69th or 70th birthdays fall in 1997, as well as those reaching 71, must act before Dec. 31, 1997. The LIF, unlike the RRIF, has a maximum withdrawal amount as well as a minimum, and must be converted to an annuity at age 80.
- as far as non-registered money is concerned (i.e. money not in an RRSP, RRIF, LIF or annuity), all income from GIC's or mutual funds is taxable. Income from prescribed annuities, however, is tax advantaged.
- regarding RRIF's, more than one can be established, and they may be combined, depending on age, with

RRSPs and annuities. RRIFs can be opened at any age.

- upon the death of an RRSP or RRIF holder, the contents can be rolled over to the surviving spouse, or common-law spouse, without tax implications. If there is no surviving spouse, the executor will have to include all RRSP/RRIF holdings in income for the year of death. In Quebec, the Government gets 52.9% of such holdings in most cases.
- in the light of the above, financial planning is essential, and professional planners can help in offering ways to reduce the heavy taxation when there is no surviving spouse.

21.7 Annual Luncheon

The members were advised that the annual holiday luncheon would be held on Thursday, December 11 in the S.G.W. Faculty Club. As in the previous year, the luncheon will be buffet.- style and bar services would commence at 11:30 a.m.

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21.8 Other Business

It was agreed that the nominating committee to fill vacancies on the Executive coming up next year should be the same as last year's - Larry Boyle, Christine MacKay, Bob Pallen and Audrey Williams, under the chairmanship of J.P. Pétolas.

21.9 Next Meeting

The next meeting, the Annual General Meeting will take place on the Loyola Campus, probably on May 5 or 6, 1998.

21.10 Adjournment

A motion to adjourn the meeting at 12.10 p.m. was approved.