REPORT OF THE PENSIONS SUBCOMMITTEE

By Robin Ollerhead

Since the “Fall Forum” which was reported in the previous Newsletter, there have been two meetings of the Pensions and Benefits Committee of the Board of Governors (“Pens & Bens”) and four meetings related to the Professional Pension Plan Advisory Group (PPPAG). There have been no meetings of the Pension Bargaining Council (PBC), presumably because the bargaining groups are engaged in negotiations with the University Administration.

Pens & Bens R. Ollerhead attended a meeting on December 16, 2004, at which the performance of the pension fund as of June 2004 was reviewed. Some new investment policies and procedures have been introduced. Administrators in the financial community are providing advice through an “investment management committee”. A report on post-employment benefits was presented, indicating that the cost of retiree benefits has increased, and models predict that increases will be significant in future years. Ways of limiting these costs will be examined, but will not affect the benefits of those who have already retired.

At a meeting on April 6, 2005, Claude Macorin presented a Review of 2004 Pension Plan Performance as of December 31, 2004. Fund returns annualized for 1, 2, 3, and 4 years were 8.0%, 11.0%, 4.8%, and 2.9%, reflecting weak market performance in past years and better performance in recent years. John Miles presented an overview of audited pension plan statements.

PPPAG R. Ollerhead arranged an information meeting with representatives from the Faculty Association (Robin Davidson-Arnott) and the Professional Staff Association (Doug Blain) on January 18, 2005, to discuss the purpose and functioning of the PPPAG. As a result, the first formal meeting of the PPPAG was held February 2 with representatives from the University Administration, including Nancy Sullivan, VP Administration. Doug Blain was selected as Chair of PPPAG, and the mandate and operating procedures were reviewed. Vic Reimer presented an overview of the roles and responsibilities of a surprisingly large number of bodies involved in pension governance, ranging from plan members (who ultimately receive pension benefits) through the plan sponsor (U of G), the plan administrator (Pens & Bens), the custodian/trustee (Royal Trust), actuary (Towers Perrin), auditor (Price Waterhouse Cooper), investment managers, advisory groups, and government regulators (in particular the Financial Services Commission of Ontario). Vic is preparing a report on pension governance which will be available later this year.

At a meeting on March 16, John Miles discussed drafts of the audited financial statements for each of the pension plans, and commented on fees and expenses associated with the plans (as requested at a previous meeting). At a brief meeting on April 20, the final version of the terms of reference for PPPAG were approved, and Claude Macorin presented the summary of pension fund performance which had been submitted previously to Pens & Bens.

IN THIS ISSUE

2 Report from your President Fall Lectures
Another Benefit for Retirees
3 Curac News Brief
4 Financials
5 Give to Guelph Retirement Income
O 6 List of 2004 Retirees Importnt Retiree
Information Sources
7 RRSP’s – Are they good for Retirees?
8 Report of the Pensions Subcommittee

EXECUTIVE COMMITTEE MEMBERSHIP LIST

2004 - 2005

Larry Porter Past President, Newsletter Editor
Mark Waldown President
Peggy Coghlan Secretary
Allan McNicin Treasurer
Ted Burnside Chair, Benefits Committee
Trish Halley Chair, Scholarship Committee
David Hull Member, Pensions Committee
Mike Jenkins Member, Scholarship Committee
Bruce Koenig Chair WVW Committee
Bob Liptrap CURAC Representative
Wayne Marsh Vice President
Robin Ollerhead Chair, Pensions Committee
Carolyn Paawly Special Events Committee
Jim Shute Newsletter Committee
Sally Stoddart Special Events Committee
George Taylor Pensions Committee

IN THIS ISSUE

1. Approval of the agenda.
2. Approval of the minutes of the 2004 annual meeting.
   (Printed copies will be available at the meeting registration desk.)
3. Business arising from the minutes.
4. President’s report.
5. Treasurer’s report.
6. Fee increase motion.
7. Committee reports:
   • Pension committee
   • Benefits committee

NOTICE OF MOTION

A t the UGRA Annual Meeting on June 22, you will be asked to vote on the following motion: Resolved that the UGRA membership fee be increased from $15.00 to $20.00 starting at the date of the annual meeting. 

NOTICE OF THE UGRA ANNUAL MEETING

WILL BE HELD ON WEDNESDAY, JUNE 22, 2005
TIME: 9:30 A.M. - 11:30 A.M.
LOCATION: TOWN HALL, EAST RESIDENCES, UNIVERSITY OF GUELPH

Special Guest Speaker:
Claude Macorin, Office of Investment Management,
University of Guelph

Topic: Review of the 2004 Pension Plan Performance

The Town Hall is located on the second floor of the East Residence complex at the corner of the Arboretum Road and the East Ring Road. Parking is available across from the Child Care Centre and Alumni House. Follow the yellow directional signs to the Town Hall. (See map)

Refreshments will be available at 9:00 a.m. The President’s Luncheon will be held in the Gryphon Dome across the East Ring Road from the Town Hall.

ANNUAL MEETING AGENDA

1. Approval of the agenda.
2. Approval of the minutes of the 2004 annual meeting.
3. Business arising from the minutes.
4. President’s report.
5. Treasurer’s report.
6. Fee increase motion.
7. Committee reports:
   • Pension committee
   • Benefits committee

8. CURAC report and invitation.
9. Oral history project.
13. Transfer of office.
14. New President’s remarks.
15. Nomination of auditor.
REPORT FROM YOUR PRESIDENT

Several meetings of your UGRA Executive Committee have been held, the highlights of which follow:

• Met with Mr. Vic Reimer, recently retired Associate Vice-President – Human Resources concerning his current study of the Pension Plan Governance situation. UGRA concerns were expressed and extensive discussion was held concerning the overall governance of the pension plan. The draft report was expected to be completed by May, 2005.

• Your President and Vice-President, Wayne Marsh, attended a presentation in Toronto by Bob Rae concerning the Rae Commission Report. Considerable corporate support for the Commission’s recommendations was noted. UGRA had earlier supported the University of Guelph submission to the Commission. We also met with Elizabeth Sandale, our local representative at Queen’s Park concerning the Rae Report. We reinforced the importance of implementing the Rae Commission recommendations.

• The establishment of two UGRA scholarships, one for undergraduate degree students of $1,000.00 and one for Associate Diploma students of $500.00, was approved. The establishment of an endowment fund for scholarships was suggested with further discussion to take place at the annual meeting of UGRA on June 22, 2005.

• An oral history project in which UGRA original organizers would be interviewed was discussed and approved. This came as a result of a recommendation from Rick Richards at the Fall ’04 Dialogue seminar.

• After considerable discussion, a motion was passed concerning the United Way approach to fundrasing. Other than an initial letter to UGRA members, it was decided that there should be no further solicitation or action by the Retirees concerning the United Way.

RSPS – HOW GOOD FOR RETIREES?

The answer to that question is Yes, No, Maybe. In other words it depends on your situation.

RSPS’s (Registered Retirement Savings Plans) are an invention of the government, to attempt to get Canadians to save for their own retirement, so that the social assistance burden of all of our citizens can be reduced. To accomplish this they offer a tax deduction on the money invested in an RSP thereby allowing the taxpayer to reduce taxes paid in a particular year. Further, any growth in the investments in an RSP is not taxed until it is withdrawn. The key is that it is an RRSP and if the tax on the growth and the government continues to take steps to insure that they get YOUR MONEY in the end.

The major device which requires you to convert your RRSP’s into a RRIF (Registered Retirement Income Fund) by December 31 of the year you turn 69. The only loophole in this law is that married people with a younger spouse can use their spouse’s 69th birthday year end, as the conversion date. The major difference between an RRSP and a RRIF is that there are NO requirements on withdrawing money from an RRSP while a RRIF has a schedule of escalating withdrawals based on a percentage of the money in the fund. Therefore each year you are required to withdraw a tax rate on your marginal tax rate, hence if you can delay the process, it is to your benefit, as any increase in the value of the fund is not taxed until withdrawal.

To get back to the title-let me offer three examples to illustrate the point.

Example 1. YES - A professor or senior administrator who had high earnings during their career and is retiring with maximum pension. - This person can benefit from RSPS’s and may wish to continue to contribute to their RRSP to offset additional income that they may continue to earn after retirement.

Example 2. NO - This person had a lower paying job and may not have worked for the university for a long time and so has a very modest pension. RSPS’s may actually work against this person, since the government instituted CLAW BACKS may actually reduce your retirement income and restrict you from other benefits, to which you would otherwise be entitled.

Example 3. MAYBE - This person had a fairly good position and has a reasonable pension and retirement incomes. The answer for them is in the tax rates and trying to ensure that your retirement income is taxed at the lowest possible rate. So maybe Yes or maybe No.

An additional important RRSP strategy is income splitting which allows the higher earner to transfer money to a Spousal RRSP so that in retirement, income is more equal which is the most advantageous situation from a tax perspective.

As you can see the issues are not simple and each person must seek out their own advice. The key is that you get a copy and read it. Finally find your self a good Financial Advisor to review your situation. It will be money well spent.

UGRA SCHOLARSHIPS

Approval to create a scholarship of $1,000, for family members of retirees was reached at the AGM in June 2004. Since then the Board has been developing the detailed terms and conditions for these awards together with the Senate Committee on Awards. A separate award of $500, has been created to extend this opportunity to family members of retirees at the Alford, Kempfville, and Ridgeway campuses. These awards now have Senate approval and are to be given in semester two (January) with financial need used to determine the recipients from amongst the eligible candidates. Eligible candidates for the degree scholarship must have an A admission average from high school and Diploma candidates must have a minimum of B as their admission average. Eligible candidates will be children, grand children, or great grand children of a retiree and must have the retiree’s support.

A total of $1,000 was allocated in 2004-5 and transferred to the University but not spent as the first awards cannot be made until January 2006. There will be a discussion at the AGM in June 2005 to consider using these funds to begin an endowment fund from which these awards could eventually be paid. Additional contributions may in future be made by individual retirees. A fully funded endowment of $35,000 will be required to sustain these awards at the current level in perpetuity. The UGRA is presently prepared to fund these scholarships in its annual operating budget.

DEAR UNIVERSITY OF GUELPH RETIREES ASSOCIATION

I write to express my sincere thanks for your part in the advocacy associated with the Rae Review of Ontario’s postsecondary education system through to yesterday’s 2005 Ontario budget announcements. The tremendous University of Guelph efforts in this advocacy campaign was clearly evident in the many letters written to elected officials and the many meetings held by groups and individuals with MPPs. University of Guelph students, faculty, staff, alumni, Board members, alumni, retirees as you other funding sources of the University all played a part. For this I am deeply grateful and, once again, overwhelmed by the incredible capacities of the University and its supporters to pull together in pursuit of shared goals.

Sincerely, Alastair J. S. Summerlee, President and Vice-Chancellor

FALL LECTURES

This fall, Third Age Learning – Guelph will offer two series of continuing education lectures for retired people in and around Guelph.

On Wednesday mornings, “Iraq and the Middle East” will be the topic, with speakers from the University of Guelph and the University of Waterloo addressing history, art and architecture, religious and ethnic relations, Islam, the Gulf War and the current scene in that region. Wednesday afternoon’s course, entitled “Ontario Heritage,” will cover the contributions of First Nations, Metis, the Mennonites, small towns and women to Ontario’s heritage, in the context of the natural and architectural environments. Speakers will come from the University of Guelph, Wilfrid Laurier University, the University of Waterloo and Toronto.

The morning course runs from 10 to 12 and the afternoon session from 1:30 – 3:30 starting Wednesday, September 21st.

Registration can be completed on-line. Third Age Learning also broadcasts selected past lectures on CFRU-FM (93.3) for further information and course details, please view our website at www.thirdagelearningguelph.ca.

Lectures are held at the Arboretum Centre. Each course lasts eight weeks. Each course costs $30.00 or $5.00 per lecture.

Another benefit for retirees

Free and half price parking on campus for retirees who are volunteering on-campus is now available. If you are volunteering for one day, a free parking pass is available from Parking Services for the day. If you are volunteering over a longer period of time, the half price parking fee is $3.82 for a semester and $161.46 for a year.

UGRA Spring 2005 Newsletter
LIST OF RETIRES

RETIRED AFTER DECEMBER 31, 2004

NAME DEPARTMENT

John Ayid Marketing and Consumer Studies
John Benson Marketing and Consumer Studies
Robert Ibrahim Biomedical Sciences
Peter Brigo English and Theatre Studies
George Breneman Business Administration
Barbara Bromham Secondary School Liaison
Nigel Bunce Chemistry and Biochemistry
John Burge Biomedical Sciences
Muriel Buthe Population Medicine
Joanna Campegamo Library
Dennis Craven OMAF Research Stations
Andrew Curtis OMAF Research Stations
Douglas Dodd Athletics
Stephanie Dubouwaltie VTH – Nursing Care
Sharrill Ellis Admissions
Kenneth Fisher Biomedical Sciences
Bruce Reimer Physical Resources
Patricia Gentry Biomedical Sciences
Rodney Gentry Math and Statistics
Johanna Giesbrecht English and Theatre Studies
Terry Gillespie Land Resource Science
Sam Goldman Chemistry and Biochemistry
Mallak Grant OMAF – Director’s Office
Kenneth Grant Economics
Linda Hartshorne VTH – Medical Records
David Hattie Physical Resources – Locksmith
Bryan Henry Chemistry and Biochemistry
Edward Neild Family Relations and Applied Nutrition
Gordon Hoare Math and Statistics
Pat Hoare Financial Services
Patrick Holland English and Theatre Studies
Bruce Hubball Human Biology and Nutritional Sciences
Herbert Hurns Fine Art and Music
Flora Ison Library
Kenneth Jeffery Land Resource Science
Beverly Kay Student Housing Services
Patricia Keeler Student Housing Services
Bruce Konstan Library
Phil Konstanta Marketing and Consumer Studies
Wilna Kennedy Hospitality Services
Marya Konstantareas Psychology
Larry Krueger OMAF Research Stations
Elizabeth Lambert Open Learning
Jimmy Law Physics
George Loney Library
Naomi MacInnes Sociology and Anthropology

University of Guelph Human Resources
(519) 824-4120

• Jackie James, Pension questions ext. 56595
• Claim forms, address changes ext. 53374
• e-mail: james@uoguelph.ca

• retiree benefit information www.uoguelph/humanresources

Canada Pension Plan and QAS
1 (800) 277-9914
www.hrdc.gc.ca/cppcollective/main.html

University Pensions, Banking changes, Tax slips, Deductions

• Royal Trust (7:00 a.m. – 8:00 p.m., Mon. – Fri.)
1 (800) 668-1320
• e-mail: bemaya@bc.com
• Fax: 1 (418) 955-2631

Health and Dental Benefit Questions

• Sun Life Policy # 82010
1 (800) 561-6212
• e-mail: claims@sunlife.com
• Claim forms, track claims www.sunlife.ca/member

CURAC NEWS BRIEF APRIL, 2005

The Annual General Meeting and 2005 Conference of CURAC/ARUCC will be held May 11-13 at the University of British Columbia. (Robson Square) and Simon Fraser University (Harbour Centre) in downtown Vancouver.

With CURAC/ARUCC’s third annual meeting coming up this May it is instructive to consider how far we have come in a relatively short period of time. During the 1990’s associations of retired faculty had sprung up at a number of Canadian universities, mainly in response to concerns about pensions and other retirement benefits. Such common interests led to gatherings of representatives from these local associations in conjunction with meetings of the LUS (LinkedIn) Societies beginning at Calgary in 1994. Perfunctory discussions about a national organization continued until May 2002 when, with the impetus provided by a major dispute over pension funds at the University of Toronto and through the efforts of Peter Russell, Germaine Warkentin, and Ken Rea, a meeting was held at Victoria College which resulted in the founding of CURAC/ARUCC a year later.

Despite having similar concerns it soon became obvious that academic retiree associations were extremely diverse in a number of ways. They differed in size from fewer than fifty to over a thousand in number and in purpose from being mainly social to activist. They ranged in structure from single university or college groups to umbrella organizations of same. But most importantly they varied across the spectrum from only faculty retirees to all retired members of particular institutions. The decision was taken to be inclusive in principle though in practice the CURAC/ARUCC agenda has tended to focus on faculty retirees.

The first Annual General Meeting was held May 25-27, 2003 at Dalhousie University in Halifax where a proposed constitution was debated and, after several amendments, was adopted unanimously. In order to clarify executive liability and enhance our credibility with other organizations a motion to incorporate was passed. These measures along with the creation of a comprehensive website as a basis of communication established CURAC/ARUCC as a viable institution representing the concerns of academic retirees.

By the time of the 2004 Meetings jointly hosted by the University of Winnipeg and the University of Manitoba, it was already able to demonstrate its capacity to facilitate communication and exchange of information among its members. In particular surveys of the relations between local associations and their relevant academic institutions and the details of medical benefits available to individual retirees were reported on and discussed in depth. The 2005 Meetings in Vancouver promise to be just as informative and useful as previously as we build on our past accomplishments. A more detailed history of CURAC/ARUCC will be found on its website.

A tentative agreement at the University of Toronto between the Faculty Association and the administration will have widespread effects in Canadian academia, if ratified. As usual the devil is in the details with various complex clauses regarding the ending of current retirement options and procedures relating to early retirement before age 65. One other important aspect is the willingness of the University to provide retirement centres and support for continuing research by retirees. Since the financial and institutional ramifications of these proposals would be far reaching, members of CURAC/ARUCC can become aware of the details also by accessing its website. UGRA

THANK YOU
A great big thank you from the United Way goes to all those retirees who contributed money and time to make the 2005 campaign the most successful in history. Your contributions helped the University of Guelph exceed the United Way goal as well as helped many community organizations and agencies reach their own service targets. The contributions from so many help to make this community a better place in which to live. Thank you. UGRA

FOR TRAVELLERS

If you have plans to travel to other provinces and to other countries and you have benefits from the University of Guelph, then be sure you read the coverage concerning health benefits in the benefit plan documents. A separate brochure has an identification card titled Med-Passport from Sun Life Financial to be carried with you with details concerning emergency travel assistance. Write your name, the contract number and your ID number on the card, get it laminated and carry it with you on your travels. The card has important contact numbers and information about what to do in case of a medical emergency. If you need more information, contact Human Resources at the University.

CURAC INVITATION

Bob Liptrop is representing us at the CURAC annual meeting in Vancouver in early May. While there, he is inviting CURAC to hold its Annual Meeting, in 2006, in this region. The invitation is being extended by retiree organizations from Guelph, Waterloo and Wilfrid Laurier. Details will be available in the Fall ’05 UGRA Newsletter. UGRA
April 24, 2005

Allan W. McIntsh, Treasurer

University of Guelph Retirees Association

34 Karen Road, Guelph, Ontario

N1G 2N9

EXAMINER’S REPORT

I have examined the Statement of Receipts and Disbursements for the University of Guelph Retirees’ Association for the period April 1, 2004 to March 31, 2005. My examination included, on a test basis, evidence supporting the disbursements made.

Due to the nature of collection of fees I was not able to verify their validity.

Subject to the foregoing, the Statement of Receipts and Disbursements is presented fairly.

Regrets,

L. Woodhouse

President

In The Black Bookkeeping Inc.

By Ross Butler, Alumni Affairs and Development

GIVE TO GUELPH AND INCREASE RETIREMENT INCOME

Well, there is a way that you can “have your cake and eat it too!” It’s called the Charitable Insured Gift Annuity. This strategy involves three components - a gift to the University of Guelph, a prescribed annuity, and a life insurance policy. Compared to traditional interest-bearing investments, such as GICs and T-bills, this approach can significantly increase your after-tax income and guarantee it for life!

Here is a situation. Elizabeth Goodheart is 70 years young and in good health. She has 3 grown children, and was recently widowed. Her retirement income is made up of work pensions (both hers and her husband’s), a RRIF, GICs, T-bills, a moderate equity portfolio, Old Age Security and Canada Pension Plan. Her income was reduced after her husband passed away as there was a 60% survivor benefit on his work pension and his CPP. Her husband’s OAS was a 60% survivor benefit on his work portfolio, Old Age Security and Canada Pension Plan. Her income was reduced after her husband passed away as there was a 60% survivor benefit on his work pension and his CPP. Her husband’s OAS was a 60% survivor benefit on his work portfolio.

If all of the donation receipt cannot be utilized at one time, she can carry it forward for 5 years.

• Elizabeth finds great satisfaction in making her gift to Guelph during her lifetime.

• Elizabeth will give an immediate gift of $37,500 ($150,000 x 25%) to the University of Guelph and receive a donation receipt to offset income tax.

• In comparison, a GIC would have to yield 7.43% in order to equal the after-tax income of the Charitable Insured Gift Annuity. This return is guaranteed for life.

• Elizabeth finds great satisfaction in making her gift to Guelph during her lifetime.

Oral History Project

At last fall’s UGRA seminar, Rick Richards suggested the idea that it seemed important to capture the thoughts and ideas from the early organizers of the UGRA organization about how the concerns and ideas of many faculty and staff needed to be orchestrated in a common identity. He suggested a mini research type project in which the founding ideas could be related and published, in some form, for future retirees and the general university community.

As a result of the suggestion and after considerable discussion, it was decided to proceed with an oral history project in which early UGRA organizers would be interviewed and the interviews transcribed into written form and used as a basis for production of a brochure for all current and future retirees. The interviews would be stored in the University Archives in the Library. In addition, summaries would be published in the UGRA Newsletter.

The experience of the Alumni in Action volunteer oral history project would be used in completing this UGRA project. A motion was passed supporting the project; watch for further action in the coming months.

UGRA

Elizabeth’s Average Interest Rate: 4.00%  
Marginal Tax Rate: 36.98%  
Capital Used: $150,000.00

<table>
<thead>
<tr>
<th></th>
<th>GICs</th>
<th>Insured Gift Annuity</th>
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</thead>
<tbody>
<tr>
<td>Total Capital</td>
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<td>Donation Tax Credit</td>
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<td>Capital Used for Income</td>
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<td>Taxable Portion</td>
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<tr>
<td>Tax Payable</td>
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<td>-$903.82</td>
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<tr>
<td>Sub-total</td>
<td>$2,835.90</td>
<td>$5,264.31</td>
</tr>
<tr>
<td>Life Insurance Premium</td>
<td>$1,483.11</td>
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</tr>
</tbody>
</table>

After Tax Return: $2,835.90

Capital to Heirs in Estate: $112,500.00

Annual Income Advantage over GIC: $2,428.41

Elizabeth’s Average Interest Rate: 4.00%  
Marginal Tax Rate: 36.98%  
Capital Used: $150,000.00

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</table>

After Tax Return: $2,835.90

Capital to Heirs in Estate: $112,500.00

Annual Income Advantage over GIC: $2,428.41

Rate of Return Required to equal the Insured Annuity: 7.43%

*All quotes as of March 07, 2004 and are subject to change without notice.

Life insurance rates quoted are standard rates and are subject to the approval of the underwriting department.
April 24, 2005

Allan W. McIntosh, Treasurer
University of Guelph Retirees Association
34 Karen Road, Guelph, Ontario
NTG 2N9

EXAMINERS REPORT

I have examined the Statement of Receipts and Disbursements for the University of Guelph Retirees Association for the period January 1, 2004 to March 31, 2005. My examination included, on a test basis, evidence supporting the disbursements made.

Due to the nature of collection of fees I was not able to verify their validity.

Subject to the foregoing, the Statement of Receipts and Disbursements is presented fairly.

Regards,

Leslie Woodhouse
President
The Black Bookkeeping Inc.

University of Guelph Retirees’ Association
Statement of Receipts and Disbursements
For the Year Ended March 31, 2006

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<th>2005</th>
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<th>2009</th>
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<td>$200,000</td>
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<td>$200,000</td>
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</tbody>
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**GIVE TO GUELPH AND INCREASE RETIREMENT INCOME**

By Ross Butler, Alumni Affairs and Development

There are three components—a gift to the University of Guelph, a prescribed annuity, and a life insurance policy. Compared to traditional interest-bearing investments, such as GICs and T-bills, this approach can significantly increase your after-tax income and guarantee it for life!

Here is a situation. Elizabeth Goodheart is 70 years young and in good health. She has 3 grown children, and was recently widowed. Her retirement income is made up of work pensions (both hers and her husband’s), a RRIF, GICs, T-bills, a moderate equity portfolio, Old Age Security and Canada Pension Plan. Her income was reduced after her husband passed away as there was a 60% survivor benefit on his work pension and his CPP. Her husband’s DAS was paid out in her husband’s estate.

Elizabeth would like to make a sizeable donation to the University of Guelph but would have to give up a good portion of interest income in order to do so. From a $150,000 GIC, Elizabeth holds, it produces $6,781.20 interest per year (4.00% return) and with an approximate marginal tax rate of 36.98%, she nets $3,781.20 after-tax.

Elizabeth called upon her financial advisor to explore her options. After a few meetings and much discussion, her financial advisor recommended a Charitable Insured Gift Annuity because she felt that the gift plus annuity with insurance back-up would realize Elizabeth’s goals:

- Elizabeth will give an immediate gift of $37,500 ($150,000 x 25%) to the University of Guelph and receive a donation receipt to offset income tax.
- In consideration, a GIC would have to yield 7.43% in order to equal the after-tax income of the Charitable Insured Gift Annuity. This return is guaranteed for life.
- Elizabeth finds great satisfaction in making her gift to Guelph during her lifetime.

For more information about Planned Giving to the University of Guelph contact:
Ross Butler
Director for Gift Planning
University of Guelph
519-824-4120 ext. 56196

GICs
Insured Gift Annuity
Total Capital
$150,000.00
$150,000.00
Gift to Charity
$37,500.00
$37,500.00
Donation Tax Credit
$15,060.00
$15,060.00
Capital Used for Income
$112,500.00
$112,500.00
Gross Annual Income
$4,500.00
$4,500.00
Tax Payable
$1,483.11
$1,483.11
Non-Deductible
-
-$3,628.88
Capital Used for Income
$112,500.00
$112,500.00
Annual Income Advantage over GIC:
$2,428.41
$2,428.41
Rate of Return Required to equal the Insured Annuity:
7.43%*  

* All quotes as of March 07, 2004 and are subject to change without notice.
Life insurance rates quoted are standard rates and are subject to the approval of the underwriting department.

UGRA

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Retirees Association Newsletter
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ORAL HISTORY PROJECT

At last fall’s UGRA seminar, Rick Richards suggested the idea that it seemed important to capture the thoughts and ideas from the early organizers of the UGRA organization. As a result of the suggestion and after considerable discussion, it was decided to proceed with an oral history project in which early UGRA organizers would be interviewed and the interviews transcribed into written form and used as a basis for production of a brochure for all current and future retirees. The interviews would be stored in the University Archives in the Library. In addition, summaries would be published in future issues of the UGRA Newsletter.

The experience of the Alumni in Action volunteer oral history project would be used in completing this UGRA project. A motion was passed supporting the project; watch for further action in the coming months.

Elizabeth’s Average Interest Rate: 4.00%  
Marginal Tax Rate: 36.98%  
Gift to Charity: $37,500.00  
Capital Used for Income: $112,500.00  
Gross Annual Income:
$4,500.00  
After Tax Return:
$2,835.90  
Capital to Heirs in Estate:
$112,500.00  
Annual Income Advantage over GIC:
$2,428.41
LIST OF RETIRES
RETIRING AFTER DECEMBER 31, 2004
NAME DEPARTMENT
John Ardu Marketing and Consumer Studies
John Benson Biomedical Sciences
Robert Ibrahim English and Theatre Studies
Peter Brody English and Theatre Studies
George Brinkman Secondary School Liaison
Barbara Broholm Chemistry and Biochemistry
Nigel Bures Biomedical Sciences
John Burge Biomedical Sciences
Murie Burtin Population Medicine
Johanna Campanello Library
Dennis Crauf OMAF Research Stations
Andrew Curtis OMAF Research Stations
Douglas Dodd Athletics
Stephanie Doukhawke VTH – Nursing Care
Starr Ellis Admissions
Kenneth Fisher Biomedical Sciences
Bruce Reming Physical Resources
Patricia Gerrity Biomedical Sciences
Rodeney Gerrity Math and Statistics
Jill Gill English and Theatre Studies
Terry Gillespie Land Resource Science
Saul Goodman Chemistry and Biochemistry
Margarete Grant OGS – Director’s Office
Kenneth Grant Economics
Linda Harrshaw VTH – Medical Records
David Hattie Physical Resources – Locksmith
Bryan Henry Chemistry and Biochemistry
Edward Herold Family Relations and Applied Nutrition
Gordon Hines Math and Statistics
Pat Hore Financial Services
Patrick Holland English and Theatre Studies
Bruce Holub Human Biology and Nutritional Sciences
Hendrik Horn Rite and Music
Floria Ison Library
Kenneth Jacket Land Resource Science
Beverly Kay Land Resource Science
Patricia Keeler Student Housing Services
Mike Ken French Marketing and Consumer Studies
Wilma Kendall Hospitality Services
Mary Konstantaras OMAF Research Stations
Larry Krager Open Learning
Elizabeth Lament Library
Jimmy Law Physics
George Loney Sociology and Anthropology
Maaritk Maar Library
Alan Mann Library
Geraldine Manning Ag. Economics and Business
Judith Martin History
Elaine Martin Human Resources
Amelia McDonald OMAF Research Stations
Wayne McDonald Clinical Studies
Dorothy McLean OA Access
Pearl Mine Library
Jim Moggy Library
Bill Morrison Library
Michael Moss Geography
Kenneth Harper Service Psychology
Lana Phillips Environmental Biology
Jean Shano Price Zoology
Douglas Prior Zoology
Herb Rauscher Botany
Richard Reeder Vineyard
Mary Ann Robinsons Library
Jill Gill Family Relations and Applied Nutrition
Norma Sebert Advancement Services
Roger Shantz OMAF Research Stations
Brian Smith Physical Resources
Gary Smith OCS – Educational Services
James Ag History
Donald Stevens Zoology
Peter Stonehouse Ap. Economics and Business
Barb Stuart Family Relations and Applied Nutrition
John Sutton Land Resource Science
Robert Sweetman Biomedical Sciences
Olga Vitalich Student Housing Services
Shelia Ward Student Housing Services
Margaret White Accounts Payable
Leonard Wiley PA – Bovey Building
Karen Wong Comp. and Info. Science
Brian Wilson Human Biology and Nutritional Sci.
Kenneth Cooke Classroom Technical Support
Ron Bispale OGS – Director’s Office
Giovetta Ma Tracy IC – Academic
Giovanna Mary Kari Hospitability Services
William Harris Biomedical Sciences
Margaret Hedley Family Relations and Applied Nutrition
Elizabeth Ina Hatchings Physical Resources
Sharon Franchetto Physical Resources

URGAR Spring 2005 Newsletter

THANK YOU
A great big thank you from the United Way goes to all those retirees who contributed money and time to make the 2005 campaign the most successful in history. Your contributions helped the University of Guelph exceed the United Way goal as well as helped many community organizations and agencies reach their own service targets. The contributions from so many help to make this community a better place in which to live. Thank you. UGRA

FOR TRAVELLERS
If you have plans to travel to other provinces and to other countries and you have benefits from the University of Guelph, then be sure you read the coverage concerning health benefits in the benevolent plan documents. A separate brochure has an identification card titled Med-Passport from Sun Life Financial to be carried with you with details concerning emergency travel assistance. Write your name, the contract number and your ID number on the card, get it laminated and carry it with you on your travels. The card has important contact numbers and information about how to do so in case of a medical emergency. If you need more information, contact Human Resources at the University.

CURAC INVITATION
Bob Liptrap is representing us at the CURAC annual meeting in Vancouver in early May. While there, he is inviting CURAC to hold its Annual Meeting, in 2006, in this region. The invitation is being extended by retiree organizations from Guelph, Waterloo, Brock and Wilfrid Laurier. Details will be available in the Fall ‘05 UGRA Newsletter. UGRA
REPORT FROM YOUR PRESIDENT

Several meetings of your UGRA Executive Committee have been held, the highlights of which follow:  
• Met with Vic Reinar, recently retired Associate Vice-President – Human Resources concerning his current study of the Pension Plan Governance situation. UGRA concerns were expressed and extensive discussion was held concerning the overall governance of the pension plan. The draft report was expected to be completed by May 2005.  
• Your President and Vice-President, Wayne Marsh, attended a presentation in Toronto by Bob Rae concerning the Rae Commission Report. Considerable corporate support for the Commission’s recommendations was noted. UGRA had earlier supported the University of Guelph submission to the Commission. We also met with Elizabeth Sandals, our local representative at Queen’s Park concerning the Rae Report. We reinforced the importance of implementing the Rae Commission recommendations.  
• The establishment of two UGRA scholarships, one for undergraduate degree students of $1,000.00 and one for Associate Diploma students of $500.00, was approved. The establishment of an endowment fund for scholarships was suggested with further discussion to take place at the annual meeting of UGRA on June 22, 2005.  
• An oral history project in which UGRA original organizers would be interviewed was discussed and approved. This came as a result of a recommendation from Rick Richards at the Fall ‘04 Dialogue seminar.  
• After considerable discussion, a motion was passed concerning the United Way approach to fundraising. Other than an initial letter to UGRA members, it was decided that there should be no further solicitation or action by the Retirees concerning the United Way.

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FALL LECTURES

This fall, Third Age Learning – Guelph will offer two series of continuing education lectures for retired people in a variety of locations around Guelph. On Wednesday mornings, “Iraq and the Middle East” will be the topic, with speakers from the University of Guelph and the University of Waterloo addressing history, art and architecture, religious and ethnic relations, Islam, the Gulf War and the current scene in that region. Wednesday afternoon’s course, entitled “Ontario Heritage”, will cover the contributions of First Nations, the Metis, the Mennonites, small towns and women to Ontario’s heritage, in the context of the natural and architectural environments. Speakers will come from the University of Guelph, Wilfrid Laurier University, the University of Waterloo and Toronto. The morning course runs from 10 to 12 and the afternoon session from 1:30 - 3:30 starting Wednesday, September 21st.

LECTURES ARE HELD AT THE ARBORETUM CENTRE.
Each course lasts eight weeks. Each course costs $30.00 or $5.00 per lecture.
For further information and course details, please visit our website at www.thirdagelearning.uuelph.ca.
Registration can be completed on-line. Third Age Learning also broadcasts selected past lectures on CFRU-FM (93.3) on Thursday mornings at 11:30.

Another Benefit for Retirees

Free and half price parking on campus for retirees who are volunteering on campus is now available. If you are volunteering for one day, a free parking pass is available from Parking Services for the day. If you are volunteering over a longer period of time, the half price parking fee is $3.82 for a semester and $16.41 for a year. UGRA

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UGRA SCHOLARSHIPS

Approval to create a scholarship of $1,000. for family members of retirees was reached at the AGM in June 2004. Since then the Board has been developing the detailed terms and conditions for these awards together with the Senate Committee on Awards. A separate award of $500.00 has been created to extend this opportunity to family members of retirees at the Alfred, Kemptville, and Ridgetown campuses.

These awards now have Senate approval and are to be given in semester two (January) with financial need used to determine the recipients from amongst the eligible candidates. Eligible candidates may be children, grandchildren, or great grandchildren of a retiree and must have the retiree’s support.

A total of $1,000 was allocated in 2004-5 and transferred to the University but not spent as the first awards cannot be made until January 2006. There will be a discussion at the AGM in June 2005 to consider using these funds to begin an endowment fund. Implementing these awards could eventually be paid. Additional contributions may in future be made by individual retirees. A fully funded endowment of $35,000 will be required to sustain these awards at the current level in perpetuity. The UGRA is presently prepared to fund these scholarships in its annual operating budget.
REPORT OF THE PENSIONS SUBCOMMITTEE

By Robin Ollerhead

Since the "Fall Forum" which was reported in the previous Newsletter, there have been two meetings of the Pensions and Benefits Committee of the Board of Governors ("Pens & Bens") and four meetings related to the Pension Bargaining Council (PBC), presumably because the bargaining groups are engaged in negotiations with the University Administration. Pens & Bens R. Ollerhead attended a meeting on December 16, 2004, at which the performance of the pension fund as of June 2004 was reviewed. Some new investment policies and procedures have been introduced. Experts in the financial community are providing advice through an "investment management committee". A report on post-employment benefits was presented, indicating that the cost of retiree benefits has increased, and models predict that increases will be significant in future years. Ways of limiting these costs will be examined, but will not affect the benefits of those who have already retired.

At a meeting on April 6, Claude Macorin presented a Review of 2004 Pension Plan Performance as of December 31, 2004. Fund returns annualized for 1, 2, 3, and 4 years were 8.0%, 11.0%, 4.8%, and 2.9%, reflecting weak market performance in past years and better performance in recent years. John Miles presented an overview of audited pension plan statements. PPGPAG R. Ollerhead arranged an information meeting with representatives from the Faculty Association (Robin Davidson-Arnott) and the Professional Staff Association (Doug Blain) on January 18, 2005, to discuss the purpose and functioning of the PPPAG. As a result, the first formal meeting of the PPPAG was held February 2 with representatives from the University Administration, including Nancy Sullivan, VP Administration. Doug Blain was selected as Chair of PPPAG, and the mandate and operating procedures were reviewed. Vic Reimer presented an overview of the roles and responsibilities of a surprisingly large number of bodies involved in pension governance, ranging from plan members (who ultimately receive pension benefits) through the plan sponsor (U of G), the plan administrator (Pens & Bens), the custodian/trustee (Royal Trust), actuary (Towers Perrin), auditor (Price Waterhouse Cooper), investment managers, advisory groups, and government regulators (in particular the Financial Services Commission of Ontario). Vic is preparing a report on pension governance which will be available later this year.

At a meeting on March 16, John Miles discussed drafts of the audited financial statements for each of the pension plans, and commented on fees and expenses associated with the plans (as requested at a previous meeting). At a brief meeting on April 20, the final version of the terms of reference for PPPAG were approved, and Claude Macorin presented the summary of pension fund performance which had been submitted previously to Pens & Bens. UGRA