Spring 2008

UGRA NEWSLETTER

University of Guelph Retirees Association

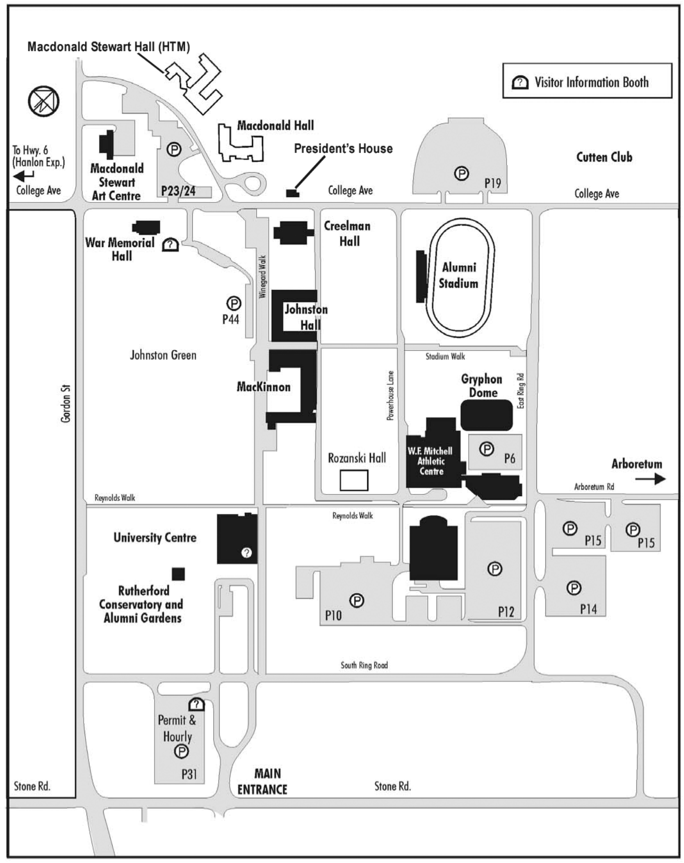
UGRA Info-line: 824-4120 ext. 52197 • www.ugra.ca

IN THIS ISSUE

THE UGRA ANNUAL MEETING

Date: June 13, 2008 Time: 9:30-11:30am Location: Rozanski Hall, Rm. 103

This year's Annual General Meeting is returning to the venue of last year's meeting: Rozanski Hall. It proved a very congenial and comfortable location and gave retirees a chance to see one of the newer lecture halls on campus. The agenda includes an address by the UGRA President, Ted Burnside, and a report and nomination of the auditor for the next year by the Treasurer, Clinton Martin. The meeting will see in the election of the new Executive for 2008-2009 followed by remarks from the new President who will give us some indication of the priorities the Executive is likely to pursue over the succeeding 12 months. *UGRA*

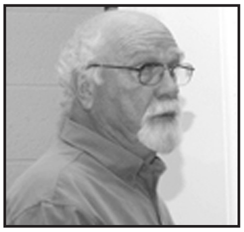


34TH ANNUAL RETIREES' LUNCHEON

Date: June 13, 2008 Time: 12 noon (Doors open at 11:30 am)
Location: Gryphon Dome on the East Ring Road

Come and enjoy some good food and convivial company with former friends and colleagues. It offers a wonderful opportunity to reconnect with people you may not have seen for some time. *UGRA*

PRESIDENT'S MESSAGE



Ted Burnside

It has been an honour to serve for the past 12 months as the President of UGRA. The time has moved swiftly, as there has been much to do. Our Executive has met on a monthly basis throughout the fall of 2007, and winter and spring of 2008. Each member has worked tirelessly to ensure we are better and better informed on all issues of importance to you! I wish to express appreciation for this dedication of your Executive, all of it provided on a voluntary basis!

We have defined communications as an important task both with our membership, with the University administration and with bargaining units of the University employees. In this regard, we began by revising our Newsletter under the leadership of Co-Editors Ed Herold and Bruce Ryan. We also took action to gain access to our own mailing list, as the University has always maintained that it could not provide us with such a list due to confidentiality issues. Some of our membership has assumed that the list was already in our possession; however, this has never been the case, as our Newsletters have always gone out via The University's postal service, which has been funded by the University as a service to UGRA. The University has now become convinced that UGRA is certainly going to ensure that the list is never made available to other interests and our membership has responded positively by giving written permission for their names, addresses and Email addresses, etc. to be placed on an electronic mailing list. This will ensure we may contact you directly if we need additional support on specific matters. If you have not yet responded to the University's letter asking if you will allow your name and addresses to go onto our mailing list, kindly do so before June 30th, so we may wrap this up. All new Retirees are being approached by Human Resources to give written permission on a special form when they cease working for the University.

We have had a number of special meetings with the administration, including the annual discussions with President Summerlee and Vice President Sullivan on April 29, which focused this year on pensions. A report on that meeting is included in the Newsletter. Vice-President Ken Grant and I also met with Vice-President Nancy Sullivan and Human Resources Director Lillian Wilson in January. Our discussions centred on benefit issues. We reiterated our priority to have both benefits plans carry unlimited semi-private hospital coverage. We know that all but one other major University in Canada provide unlimited semi-private coverage, from a survey conducted for the University of Guelph Faculty Association. A little study by Margaret MacDonald of Human Resources revealed that the current 180-day limit to semi-private coverage comes up so seldom that it should not materially affect benefit costs to the University and Retirees or be a major issue in negotiations. I have pointed out repeatedly that while this is a minor issue for the University, it can really bankrupt a single family opting to pay for semi-private coverage for a Retiree beyond 180 days for the same illness (e.g., in a long stay facility)! Vice- President Sullivan has committed to an annual meeting on these issues with the President of UGRA and another member of the executive, to be held in the winter, after the chair of the UGRA benefits committee has met with the Human Resources staff. It is our intention to get movement on such issues, although it is a very difficult and time consuming process.

I am pleased to inform you that the benefits costs will not rise this year. However, there is need for all Retirees to use generic drugs whenever possible in order to keep costs down. In addition, the University must be asked to renegotiate its contract periodically, throwing it open to competing companies otherwise costs will continue to climb. We must continue to be vigilant in these matters and to become fully informed of our situation.

Finally we have met regularly with a newly formed University stakeholders group, a volunteer committee of heads of all unions and negotiating groups within the University. We have neither negotiating powers nor opportunities to negotiate. We must rely on the possibility to influence those who do negotiate for pay raises, improvements in working conditions, pensions and benefits. Our representatives have voiced concerns in public meetings sponsored by this group over the past two years so that all employees understand that their pensions are not at all fully indexed, only being increased for inflation above 2%.

In fact, with the Government's continued commitment to 2% inflation, we have no protection against erosion of purchasing power at all. President Summerlee has repeatedly refused to provide high priority to ad hoc increases to Retiree Pensions. It does seem ironic that the Board of Governors of the University has rushed to provide the President of the University of Guelph with a handsome pay increase to bring his salary on par with University President salaries elsewhere and that the University Administration has provided pay raises to

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faculty and staff. Yet the Board of Governors voted with the Administration to defeat the two motions UGRA put to the Board's Committee on Pensions and Benefits last week. See David Hull's report in this issue. I shall leave decisions as to future actions to the 2008-2009 Executive and to our Annual Meeting. Some additional action must be taken soon to remedy this failure of the University to carry out its fiduciary responsibilities! Refer to last year's Spring Newsletter to estimate how much erosion has occurred in your pension.

In concluding, I believe the Stakeholders Group must be approached by UGRA to form a Standing Committee on Full Indexing of Pensions, since the Board of Governors will not agree to do so and that current employees who do wish to have their pensions fully protected from inflation must commit to an increase in their pension deductions. Working together we can bring the University Administration to the negotiation table. It may not happen in a short period, but with steady work and determination it can definitely be brought about! Good Luck to all Retirees and to next year's Executive!

Ted Burnside, President, **UGRA**

UGRA EXECUTIVE COMMITTEE MEETS WITH PRESIDENT SUMMERLEE AND VICE-PRESIDENT SULLIVAN

With a few exceptions, the meeting the UGRA Executive held with President Summerlee and Vice-President Sullivan on April 29 was essentially a repeat of the meeting in 2007. The Executive once again pressed the matter of ad hoc increases in pension payments to compensate for the loss in purchasing power. Dave Hull, as our Pensions Committee Chair, also shared with them some of the feedback we had received from retirees regarding their concerns about the lack of pension indexing.

Just as he said in 2007, President Summerlee indicated that he was sympathetic to the pension needs of retirees and that he understood our calls for ad hoc changes to pensions.

Nevertheless, both President Summerlee and Vice President Sullivan once again indicated that no funds were available to make any such adjustments. As was the case in 2007, the University is facing very significant cost increases and lower revenues. Indeed, the claim was that unlike last year when the University was expecting a 0.5% increase in provincial funding, this year there is to be 0.0% increase. According to President Summerlee, the University is anticipating some significant cuts in budgets to deal with expected operating deficits.

Executive members were further told that the current funds in the Retirement Plan and the Professional Plan are insufficient to finance any ad hoc increases for the foreseeable future. However, the Non-Professional Plan, which currently serves about 100 retirees with an average annual pension of about $6,000, is standing with a surplus of about $5,000,000. The Executive argued that the members of Non-Professional Plan, who have the smallest pensions, should receive an ad hoc inflation adjustment paid for from the within-the-plan surplus. Vice President Sullivan indicated that there is a reluctance to treat the retiree groups unequally and that an adjustment for the Non-Professional Plan retirees would be a break with the principle of equal treatment. Executive members stated that the lowest paid pensioners are most likely to feel the effects of a lack of inflation protection and that they deserved to benefit from the surplus in their own pension plan. President Summerlee then indicated that he saw merit in more seriously considering ad hoc increases for those having the lowest annual pensions. He committed his administration to investigate the issue.

Vice-President Sullivan noted that there will be no increase in benefit premiums and no change in benefit levels for retirees for 2008. While the Executive gained no ground in its campaign to have the coverage of semi-private hospital room brought more into line with other university benefit packages, it was encouraged that threatened premium increases and benefit reductions did not materialize.

While this year's meeting with the University administration did not provide any breakthroughs, we remain committed to acting vigorously on behalf of retirees. **UGRA**

PENSION CONCERNS: RETIREES RESPOND

In the winter 2008 issue of the UGRA Newsletter, we invited retirees to consider the extent to which they felt the purchasing power of their own pensions was being diminished by the failure of the University to continue its previous practice of providing ad hoc inflation adjustments. The three pension plans do not, as a matter of standard operations, accommodate the first 2% of inflation in any given year. We pointed out that over a 10 year period, this will lead approximately to a 20% reduction in purchasing power. We asked that retirees let us know how this was affecting them in their daily lives. We received a number of letters in response.

One respondent asked how the University came up with its inflation figure and said that no amount of searching on the Bank of Canada website showed a figure of 1.84% for 2006-2007. When the actuaries calculate the effective inflation rate for the University's Board of Governors Pensions Committee, they do so on a May to April interval. In making the calculation, the actuaries use the full consumer price index (CPI) because it provides the broadest measure of inflation. In order to determine the inflation rate for the year ending September 30, 2008, for example, the average monthly CPI for the May 2007 - April 2008 (Year 2) period will be compared to the average monthly CPI for the May 2006 - April 2007 (Year 1) period. The change in the level of the CPI from Year 1 to Year 2 is calculated and converted to a percentage. If the difference or change in index level is more than 2%, a contractual pension increase will be made effective September 30th. For 2007, this figure came to 1.84%.

All of the letters we received commented on the eventual difficulties each of the writers either will be facing or are already facing as a consequence of purchasing power erosion in their pensions. Indeed, the tone of the letters differed depending on how long the respondents had been retired. Those who retired more recently seemed not to have experienced significant effects so far, but can see difficulties ahead.

One wrote:

As a new retiree I cannot claim that the lack of indexing has had a big effect on me. However, some trivial calculations suggest that it will have a significant impact given the hopeful event that I live another 20 years or so. I suppose what it means in the short term is that I will reduce the amount of money that I would be prepared to give back to the University as an alumnus or a retiree. I certainly understand that the university currently is in serious economic problems, however, there are always choices to be made about where money gets spent and who benefits. Hopefully, the University will see its way clear in the near future to at least provide a 'catch up allowance'.

Another wrote:

So, as we go forward from the present moment, our pension rate is $5000 behind where it should be. We then subtracted the actual pension received each year from the amount we would have received if the increments had been 2% per year, and added these differences to obtain an accumulated loss in purchasing power of almost $25,000. (i. e., the loss over 12 years) So, yes, the differences are substantial - and growing. So far, we have managed very well. However, should I live to be 100, as my father did, our creative management and living capabilities will certainly be tested.

Other respondents went more directly to the impacts they can see in the future.

One person said:

I presently live with my daughter … but honestly, as the years go by, I don't think I could keep up with rental increases if my pension is not going to increase.

Another observed somewhat wryly:

It's ironic that after devoting a lifetime to the university they do not treat retirees fairly, yet expect us to donate each year to the university. Neighbouring universities have managed much better.

The most troubling letters came from our members who had been retired for more than 15 years. They speak of no longer being able to travel on holiday and of being unable to make what were their customary trips to see family in Europe. Another writer noted that his loss of purchasing power is now approaching $15,000 and if he lives as long as his father did before him, he anticipates being 40% behind inflation. He states that he foresaw the difficulty several years ago and prepared for the possible future of reduced circumstances by doing some post-retirement consulting until he was well into his 70s.

We invite other retirees to continue reflecting on the impact of inflation on their pension's purchasing power and to tell us about their experience coping with the costs of living in the face of zero increases in their pensions. **UGRA**

THE FATE OF OUR MOTIONS BEFORE THE BOARD OF GOVERNORS PENSIONS COMMITTEE

On Wednesday May 7, Dave Hull, as the retirees' representative on the Board of Governors Pensions Committee, placed two motions before the Committee. The motions were:

1. That the University and the Board of Governors Pensions Committee consider a partial good-faith ad hoc adjustment in pensions for 2008.
2. That the University and the Board of Governors Pension Committee strike a committee to investigate the feasibility of full indexing.

Both motions were seconded by one of the non-Board members of the Committee.

To quote from Dave's report to the UGRA Executive after Motion 1 was moved and seconded:

There is nothing in this motion to say that the ad hoc must be 2%, or that it must apply to all plans. For instance, there is a significant surplus of over $5 million in the Non-Professional Plan, whose members on average have a pension of only approximately $6000 per year. Could not some of this surplus be dispersed to these retirees?

We note in the mandate of this Committee that in carrying out certain responsibilities, the Pensions Committee is required to act in the best interests of the members and retirees. Surely dispersing some of this surplus to the members of that plan is in their best interests.

Those who opposed the motion argued, in part, that there were insufficient funds to give an ad hoc to all plan members, and that the University was opposed to giving an ad hoc to one group and not the others.

Motion 1 was defeated although it was supported by all non-Board members of the Committee.

Dave then spoke to support Motion 2:

I then went on to support the motion by saying that up until the late 1990's the Plans were able to provide for ad hocs from time to time, plus retrospectively adding catch-up monies to certain retiree groups. Over a period of years, retirees had seen the ad hoc requirement come down from 3% to 2% and the unwritten assumption was that it would continue to drop. This did not happen. Since 2002 there has been only one 1% ad hoc payment made.

Our Brief to this Committee of March 2007 documents these data and projects considerable purchasing power short falls into the future should the present fiscal situation continue. Surely the Committee is not acting in the best interests of the members and retirees of the plans if they let this situation continue. It is our view that a fully indexed pension, properly funded by employees and the University is in the best interest of both parties.

One of the non-Board members of the Committee reminded Committee members that certain universities, Toronto and Waterloo, in particular, had been able to maintain fully indexed pensions for some time.

Those who opposed the motion stated, in part, that a costing for full indexing had been done some years ago and at that time it was prohibitively expensive.

Motion 2 was defeated although it was supported by all non-Board members of the Committee. **UGRA**

A VOLUNTEERING OPPORTUNITY FOR RETIREES

We have been invited by Dr. Steven Davis to let UGRA members know about a recently formed national organization that offers retirees an opportunity to become involved in international projects. Dr Davis is Chair of the Board of Directors of Academics for Higher Education and Development – Universitaires pour l'éducation supérieure et le développement (AHED – UPESED). He is Professor Emeritus of Philosophy at Simon Fraser University and Carleton University and Adjunct Professor of Philosophy at McGill University and the Université du Montréal. Below is a statement from the AHED-UPESED website. More information can be found at http://www.ahed-upesed.org/en/

OUR ORGANIZATION

AHED – UPESED is a Canadian bilingual NGO incorporated in March 2007 with its headquarters in Montreal. It was founded, and is run by, a working Board of professionals from across Canada who were inspired by the goals of the UN Millennium Project to alleviate poverty in the developing world.

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Continued from page 5 - **A VOLUNTEERING OPPORTUNITY FOR RETIREES**

The Board is grateful to the supporters who have assisted the Board in aid of this goal. The purpose of **AHED – UPESED** is to support developing countries develop and expand institutions of higher education by sending volunteers to work on projects in those institutions and in ministries of higher education. **AHED – UPESED** undertakes projects in the full range of post-secondary institutions, including universities, colleges, and business, engineering, normal, medical and nursing schools. Volunteers are recruited from active and retired professionals and skilled workers throughout Canada and other medium and high income countries. These include faculty, staff, and administrators from universities and colleges, as well as non–academic professionals. If you are considering volunteering for a project, please look at our projects page. We shall be soliciting additional projects from host institutions in the developing world. We welcome inquiries and suggestions from prospective volunteers about possible projects. **UGRA**

INFLATION PROTECTION IN ONTARIO UNIVERSITY PENSION PLANS

As is the case in several of Ontario's universities, the pension plans at the University of Guelph are defined benefit (DB) plans. Some universities operate hybrid (H) plans, which operate largely as defined contribution plans but also offer a minimum pension guarantee. All of these plans offer some form of indexation. Three institutions (Western, Nipissing, Ontario College of Art and Design) have defined contribution plans and do not provide for inflation protection through indexation. The table below shows the indexing provisions of all of the universities in Ontario that provide for inflation protection through indexation. The hybrid plans are noted in the lower and shaded portion of the table. **UGRA**

University	Indexing
University of Guelph	DB; Annual, above 2%, CPI minus 2% to a max of CPI 8%; additional subject to BoG approval
McMaster University	DB; Subject to plan performance above 4.5%; capped by CPI; excess may be applied for catch-up
University of Ottawa	DB; Annual, CPI to 2%; CPI minus 1% above 3%; CPI subject to investment performance
Ryerson University	DB; Annual, CPI to 8%; above 8% carried forward
University of Toronto	DB; CPI minus 4% or 75% of CPI to 8% plus 60% of CPI above 8%; to-up to 100% of CPI negotiated each round
Trent University	DB; Subject to plan performance above 6% per annum (6.5% for retirements after June 30 2000); not to exceed lesser of CPI or increase in average industrial wage; excess may be used for catch-up for previous years
University of Waterloo	DB; CPI to 5%; above 5% subject to Pension Committee discretion and eligible for catch-up pending investment results
Brock	H; CPI indexing to max 2% plus occasional other adjustments
Carleton	H; Subject to plan performance above a 4-year average of 6% per annum
Lakehead	H; CPI or account performance
Laurentian	H; Automatic CPI indexing to max of 3%
Queen's	H; Subject to plan performance above a 4-year average of 6% per annum
Wilfred Laurier	H; Partial CPI indexing automatic to 4% max
Windsor	H; CPI to 2%; 2% for CPI between 4% and 4%; half of CPI above 4%
York	Subject to plan performance above 6% per annum

UNIVERSITY OF GUELPH RETIREE'S FINANCIAL STATEMENT FOR 2008 • BUDGET VERSUS ACTUAL AT MARCH 31, 2008

	2006-2007 APPROVED $	2007-2008 ACTUAL $
RECEIPTS		
Member Contributions	13,000	15,708
DISBURSEMENTS		
Newsletter	9,000	8,915
Postage	10.00	0
Meeting Costs	1,100	950
CURAC *Membership*	300	0
Conference	100	0
Miscellaneous	350	399
Travel	250	299
Scholarship Program	1,500	0
Photocopying	30	0
Bank Charges	20	13
Website	80	0
TOTAL DISBURSEMENTS	**12,740**	**10,576**
Net: Receipts for the Year	260	5,132

YEAR END ASSET POSITION AS OF MARCH 31, 2008

	2007-2008 PROPOSED $	2007-2008 ACTUAL $
Cash in Bank–April 1, 2007	12,929	12,929
Add:Net Results for the Year	260	5,132
Cash in Bank–March 31, 2008	13,189	18,061
Share in Credit Union	25	25
TOTAL ASSETS	**13,214**	**18,086**

LIST OF RETIREES

EMPLOYEES WHO RETIRED SINCE JANUARY 1, 2008

NAME	DEPARTMENT
Margaret Agnew	Human Resources
James Ferguson	Land Resource SCI
Judith Flanigan	VTH-Nursing Care
Renee Geluk	RC-Academic
William Albert Green	AVP Agrifood
Walter Johnson	Population Medicine
Robert Keates	Molecular & Cellular
Karen Leachman	Hosp & Tourism Mgnt
Patricia Manolis	Animal & Poultry SCI
Mollie McDuffe Wright	Human Resources
Rodney Morrison	PHYS Res-Bldg
Debbie Reeve	PHYS Res-Custodial
Marcella Venerus	Office of the CIO
Christy Watson	PHYS Res-Admin
Robert Woods	UC-Brass Taps

In the Winter 2008 Newsletter we incorrectly identified the departments from which some retirees took retirement. Our apologies go to:

Diane Barber • Population Medicine
Brian Beattie • Environmental Biology
Patricia Manolis • Animal and Poultry Science
James McDooling • CCS – University Systems

DECEASED RETIREES

DECEASED RETIREES SINCE DECEMBER 27, 2007

Joukema Henry W	2008/04/26
Donald Grieve	2008/04/08
Rudy Wojtala	2008/03/14
Mary L Rae	2008/03/02
Joseph C Hersey	2008/03/01
Margaret Beckman	2008/02/28
John Emmert	2008/02/23
Kenneth E Mitchell	2008/02/13
James E Ford	2008/02/05
Frank Laking	2008/02/03
Barbara Brooks	2008/01/24
Wesley Woods	2008/01/20
Norman Gerrie	2008/01/15
Stephen Poluch	2008/01/15
Olga Tyhonchuk	2008/01/12
May Urquhart	2007/12/31

UGRA • UNIVERSITY OF GUELPH RETIREES ASSOCIATION 2008-2009 CONTRIBUTING MEMBERSHIP FORM

Membership Year: April 1 to March 31

YES! I want to promote ***the welfare of retirees*** and to help the **UGRA** foster ***a mutually beneficial relationship with the University of Guelph***. Please accept my cheque for $20 (or more) as my contribution to the work of the Association.

NAME: ______________________________

ADDRESS: ______________________________

CITY/PROVINCE: ______________________________

POSTAL CODE: ______________ EMAIL: ______________________________

YES! I would like to receive more information about serving on the Executive of UGRA or on one of its committees. My telephone number is: ______________________________

Please make the cheque payable to: **UNIVERSITY OF GUELPH RETIREES ASSOCIATION**

Mail this form with your cheque to: **UNIVERSITY OF GUELPH RETIREES ASSOCIATION**
UNIVERSITY OF GUELPH
GUELPH, ONTARIO • N1G 2W1

CLARIFYING OUR REQUEST FOR CONTACT INFORMATION

In the last issue of the newsletter, we asked members to respond to the University's invitation to give the University administration permission to share their contact information with the UGRA. Some retirees were puzzled by the request and said that we must already have the information because we are sending out the newsletter. In truth, the newsletter gets to retirees because the University generously handles the newsletter's distribution. We prepare the text and have the printed version delivered to the University mail room. The University prints retirees' addresses on the newsletter and, much to the UGRA's appreciation, pays for the mailing costs.

As a consequence of this process, we have contact information only for those retirees who become Contributing Members or who gave permission to have their contact information shared. To those who have provided their consent, we express our appreciation. We also encourage others to write (or use the University's form if they still have it) to: Human Resources, University of Guelph, 50 Stone Road East, Guelph, ON N1G 2W1. In the letter please indicate that you give permission for the University to share your contact information (name, mailing address, telephone number, email address) with the UGRA. ***UGRA***

BECOMING A CONTRIBUTING MEMBER

All retirees are automatically members of the University of Guelph Retirees Association, but our capacity to operate effectively on behalf of retirees depends on members volunteering to become Contributing Members. This money covers the costs of the newsletter, scholarships, meeting room rentals and support for a member of the UGRA to attend the annual meeting of the College and University Retirees Association of Canada.

Many of you have already sent us your voluntary contribution and are registered as Contributing Members. For the convenience of those who have not yet done so but wish to, we have reprinted the Contributing Member form on the previous page. We have asked for a contribution of $20 but always appreciate those members who add some extra funds to help us carry on the work. ***UGRA***

UNIVERSITY OF GUELPH RETIREES ASSOCIATION,
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