UNIVERSITY OF GUELPH
RETIREES ASSOCIATION

UGRA newsletter

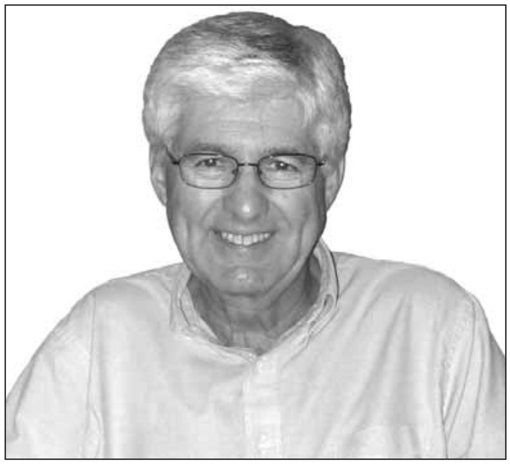
Spring 2010

Agenda for Annual General Meeting 2010

The UGRA Annual General Meeting is scheduled from 10:00 am to 12:00 pm on Thursday June 17 at the Arboretum Centre. Coffee and other refreshments will be served. The meeting agenda is as follows.

1. Call to Order
2. Approval of the Agenda
3. Approval of the Minutes of the June 2009 AGM
4. Business Arising from the Minutes
5. Guest Speaker: John Miles, Associate Vice President, Finance
6. President's Remarks
7. Approval of Changes to the UGRA Constitution **Motion:** That the changes to Articles IIIA and IV of the UGRA Constitution be approved as circulated.
8. Reports
    a. Treasurer's Report and Nomination of Auditor
    b. Communications Committee
    c. Questions regarding other written committee reports
9. Nominations Committee Report and the Election of the Executive for 2010-2011
10. Remarks from the New President
11. Other business
12. Adjournment

UGRA'S PRESIDENT'S MESSAGE



Already the UGRA's Annual General Meeting is upon us. As I look back on this last year, I have the sense that the UGRA is in a transition in large part due to the continuing crisis in the University's pension plans. For some years now, the UGRA has put enormous effort into getting the pension ad hoc payments reestablished to help prevent inflation erosion in the purchasing power of our pensions. Remember, the University of Guelph plans are unique among the Province's universities in failing to fully protect against the first two percent of inflation each year. Initially and some years ago, the UGRA opposed what appeared to be a University policy position of simply not providing ad hoc adjustments after having done so for many years on a regular basis. More recently, the reasons for the University's refusal to do so have been based on the sorry fiscal state of the pension plans and, even more recently, on the grounds that the Ministry has given the University to understand that any pension improvements of any sort in the present circumstances would be seen as irresponsible pension management.

To be blunt about it, the UGRA has been unable to make any progress on the pension front, which brings me back to the transition. The UGRA Executive Committee has had to

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ask itself what purpose does it serve if it is not securing pension enhancements, at least for the time being. But, more on this later; let's go back to pensions for a moment.

We need to be clear. The pension plans remain fully viable on an on-going basis and pose no fiscal problems as long as the University keeps its doors open and has active employees who are making pension contributions; we retirees will continue to receive our monthly pension payments. The only significant threat lies in the somewhat artificially created requirement that the plans have sufficient funds to cover off pension obligations should the University have to close its doors and go out of business. In the regulations, this is called the "wind-up" provision.

Let's be realistic. No Ontario University is going to close its doors in the foreseeable future. So, why continue to require universities to satisfy a pension regulation that seeks to protect private sector workers from the very real possibility that their employers will close the business? Good question.

It seems that no other provinces holds its universities to such a requirement, but Ontario has done and continues to do so. Under these conditions, the University of Guelph pension plans (except for the now closed and small non-professional plan) will be found to be insolvent as of the next official valuation day, which is August 1, 2010. From that date, the University will be required to begin making huge payments to return the plans to wind-up solvency. In short, forget about ad hoc pension adjustments at least until this situation is fixed. It could, and likely will, be years.

The UGRA's current role in relation to the pension issue has to change from one of active and insistent action on behalf of ad hoc adjustments to one of carefully monitoring the pension plans' fiscal health with an eye to reasserting pressure for reinstituting ad hoc payments when such enhancements become viable again. What else can the UGRA, through its Executive Committee, be doing in the meantime?

At the AGM last year, I argued that the UGRA should turn its attention to strengthening its capacity to communicate with retirees through a return to three annual newsletter issues from two and to overhauling its website. Over this past year, we did publish three newsletters and we have made progress in working on the website although most of that effort focused on cleaning up the membership list that lies behind the website. This work is essential if the website is to support a useful and interactive members-only section. Much more remains to be done.

I have further come to the conclusion that we need to get even more creative in thinking about what the UGRA can do for its members. Some of these thoughts are explored in the Editorial elsewhere in this issue of the newsletter. The problem with such ideas is that they take time and energy from all of us but mostly from the 12 members of the Executive Committee. When conditions are ideal, much can be done but sometimes reality sets limits on capacity and opportunity.

This past year seems to have been a particularly difficult one for several of our Executive Members as they faced a succession of health challenges and complicating circumstances. Over the year we lost the services of some valuable committee members who found they had to stand down from the Committee: Ed Herold, Ron McKinnon, Joe Mokanski and Clinton Martin. Still others dealt with significant illnesses or injuries due to accident although they felt able to remain on the Committee. In fact, for much of the time we were operating at about 50% capacity. Yes, it was a tough year. Those who had to resign from the Executive did so only with reluctance; I thank them sincerely for the contributions they were able to make to the work of the Committee.

I want particularly to express my appreciation to Ken Grant for being an effective advisor to the Executive from his position as UGRA Past President. His contributions both at the meetings and behind the scenes reflected well his wisdom and experience. When Clinton Martin found he had to resign as Treasurer (as well as Committee member), Ken generously volunteered to assume Treasurer duties. Special thanks go to Dana Paramskas who, with critical technical assistance from our web master, Bob Creedy, took on the major task of cleaning up the considerable confusion that had developed in our website membership list. She reviewed the records of all of the several hundred retirees for whom we have consented address or email contact information. She uncovered a large number of mistakes, which she then fixed. Without her diligence, the critical next steps in website development would have been impossible. And special thanks also to Gary Frankie who volunteered to take over the Secretary duties from Joe Mokanski when he had to leave the Committee.

Finally, I want to thank all of the Executive Committee members who took up the slack as others were forced by circumstances to relinquish their place at the committee table. While it was not an easy time, we got much of the work done. Now, it is over to the new Executive and the new UGRA President.

No Increase in Benefit Premiums

The good news is that Sun Life has agreed to not increase the U of G benefit plan premiums for the next policy year, which began May 1, 2010; the less good news is that there is still a trend toward increasing claims costs. It is possible that the drug price changes and the shift in the funding arrangements with pharmacies that are being contemplated by Ontario might relieve some of the pressures on our drug plan costs.

Editorial: Is It Time to Rebalance UGRA's Efforts on Behalf of Retirees?

A few months ago, we received an email from a faculty member who was in the process of negotiating the conditions of his upcoming retirement. He was intending to take the 'commuted value' option instead of receiving a monthly pension payment from the University's pension plan. Under this arrangement he can remove from the plan all of his own contributions along with the University's matching contributions and place the funds in his own locked-in RRSP. One of the advantages of this arrangement is that the money is his to keep and any funds left after he passes from this life remain a part of his estate to the benefit of his heirs. There are, of course, disadvantages. He might outlive the available money and/or he might invest it very badly and lose it all. These are risks for him to enjoy along with the money.

But the issue that brought him to the UGRA was his wish to also retain his health and dental benefits into retirement. The University's policy and practice is to only allow persons receiving payments from the University's pension plans to retain benefits after retirement. He was hoping the UGRA could use its resources to help influence the University into relenting on its established procedures. Needless to say, the UGRA has precious few resources and, seemingly, even less influence these days when it comes to University policy and practices concerning our members' pensions and benefits. We were, I fear to say, not of much use or help in this case.

In our exploration of the questions raised by this issue, we discovered that those who retire from the University and take the commuted value option do not receive the UGRA Newsletter. We create the newsletter but the University mails it. They put your address on your copy and they pay the postage. When the University creates the file of addresses, the commuted value retirees are never included in it. To our surprise, we have not been connecting with this small group of our retiree colleagues.

In a recent meeting with key Human Resource staff, we raised the question of these invisible fellow retirees and asked how we could get them included on the mailing list for the newsletter. The problem, it seems, is technical and not the result of policy. Whenever a person leaves the University and takes the commuted value of their pension, their HR file is assigned a code denoting that they have removed their pension money. It does not matter if they take out their money on retirement or if they take it out in mid-career and go somewhere else to work. The same code is used for both. This means that when the UGRA Newsletter mailing list is created, the University cannot separate the commuted value retiree from the persons who resign and take their pension money with them.

The trivial question here is why a different code could not be used so that we can retain our connection to commuted value retirees. The answer, it seems, is that a different code could indeed be used but not with the current HR information system. If that ever gets replaced, we can re-examine the question of codes. In the meantime, the situation will remain as it is.

The more important question in all this is what does it mean to be a retiree. The discussion with HR highlighted a distinction between retirees and pensioners. As one of the HR staff insightfully observed, the sense of being a pensioner (a person who receives a pension from one of the University's pension plans) is different from being a retiree (a person who has a sustaining relationship with the University). Most of us are, at the same time, pensioners and also retirees. Our aforementioned commuted value colleagues are retirees but they are not pensioners.

HR's mandated responsibility is to ensure that we are properly registered for our pensions and that we are retained as active members of the benefit plans. Essentially, this is a business relationship and not much more. It pertains to us as pensioners and not as retirees; commuted value retirees are not part of this business relationship.

To get back to our important question; what does it mean to be a retiree? And when I ask this question I intend that commuted value retirees be included. Many retired employees, mostly former faculty, retain all manner of linkages with the University. They may continue working with students, carry on their research programs and retain an office or access to office space. Some even continue to have research labs. All retirees have been given a variety of privileges: email accounts, access to library resources, favourable parking and athletic facility fees among others. Even though we might not use these privileges, we likely have an emotional link to the University.

The University, through HR, has been diligent in looking after us as pensioners even if we argue that they could have been more generous with pension enhancements. Our pension cheques arrive on time in the right amounts. Our benefit premiums are paid on time and our coverage is secure. The business side of our relationship with the University is sustaining and reliable.

On the other hand, there has also been shrinkage in what the University is doing for us as retirees (as opposed to pensioners). The December event the University President has long offered to retired former employees has been cancelled. For that, we retirees have to accept most of the blame; we simply failed to show up in adequate numbers. Another loss was the much valued June luncheon. Its replacement with the afternoon social is not nearly as satisfying for most retirees. The issue with the luncheon was cost. This is understandable but still it represents a dropping of an important relationship link to retirees even though we, as pensioners, have seen no reduction in services as far as our pensions and benefits are concerned.

When the UGRA was created in 1991, its Constitution stated that the Association's objects were to:

1. Foster a mutually beneficial relationship with the University of Guelph, and
2. Promote the welfare of retirees in such matters as University and civil service

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pensions and health benefits, and access to the University and its facilities.

In the nearly 20 years since then most of the UGRA's effort has gone into object number two. It has lobbied hard for pension improvements although in the last eight years or so, it has been largely unsuccessful in getting ad hoc pension adjustments, as was the case through the 1990s. Nor have we managed to obtain better health benefits although I think it is fair to say that the University understands that if it makes any sort of move to weaken benefits, the UGRA will respond with immediate opposition. Also gained in the early years as part of object two are all the privileges such as email accounts, library access and so on. Work in the 1990s by the UGRA Executive led to many of those gains.

Clearly, in the early years of the UGRA there was attention paid to its members both as pensioners (e.g., ad hoc pension payments were made) and as retirees (e.g., several privileges were negotiated). For the last several years, the UGRA Executive has been absorbed by pension and benefits issues as the University initially refused to continue the practice of ad hoc pension adjustments and now lacks the capacity to do so. Now, perhaps, is the time to shift some of our effort to enhancing our members' relationships with the University as retirees and not just as pensioners, although it is absolutely critical that the UGRA remain vigilant with respect to pension and benefit enhancement opportunities.

Doing something new about the more vaguely defined retiree experience is not so easy for the UGRA Executive. The low hanging fruit was picked in the early 1990s when the Executive Committee of the day negotiated those privileges so many of us enjoy. Remember, we are a rather small group of 12 volunteers with limited energy and resources. We are of an age when life's challenges can be unpredictable, as you will have seen in the President's Message elsewhere in this issue.

Frankly, to do much more in enhancing retiree relationships with the University needs more infrastructure support than has been generally available. With the University's HR department limiting itself to a business relationship with its pensioners and the University's higher administration withdrawing from its previous retiree events, the need for some new thinking is emerging.

Perhaps fortuitously, the University's Alumni Affairs and Development (AA&D) Office has approached the UGRA to see if some positive benefits might be gained from a closer working relationship between our two organizations. Of course, AA&D sees retirees/pensioners as a source of contributions in the fundraising business and it is only recognizing reality to acknowledge this as one of the bases for their interest in us.

On the other hand, there might be interesting new possibilities in such a linkage. AA&D is a well-developed organization with considerable resources that could be used to benefit UGRA members. They could include retirees more routinely in the wide range of events they organize for former students. If AA&D organizes an event for Guelph grads in Vancouver, for example, it would be easy to include retirees living in the Vancouver area among the invitees.

There is even talk of AA&D thinking about a travel program such as those seen in other universities. Retirees would have ready access to such a program. The UGRA Executive could probably use the AA&D boardroom in which to hold its monthly meetings and save a considerable sum of money on meeting expenses. Discussion and thinking can no doubt suggest other ideas and possibilities.

Given that the University administration seems to be increasingly thinking of us more as pensioners, it is really up to us to find new ways to enhance our experiences as retirees. The time for new ideas is now.

Bruce Ryan
UGRA President and
UGRA Newsletter Editor

Expanding Horizons with Third Age Learning, Guelph

If life is perceived as being divided into four stages, the third stage is that of the years of active retirement. These are the years when we are still active and interested in learning about subjects that we may not have had time for when we were in the second stage – that of earning a living; hence the name Third Age Learning.

Third Age Learning was started in Guelph in 1978 by Mark Waldron (a UGRA member and former member of the UGRA Executive Committee), who had learned of the concept while visiting in Switzerland.

The idea was immediately embraced by many retirees in Guelph and has been a great success ever since.

Third Age Learning - Guelph, in response to member surveys, has presented forty-five series of lectures on a wide variety of topics since that beginning over 30 years ago. Typically, in the Fall and Winter of each year there are separate morning and afternoon series of lectures spread over eight weeks.

This year, starting on September 22, we are offering a morning series from 10 am to noon each Wednesday for eight weeks called "Latin America Today" and, in the afternoon from 1:30 to 3:30, we are offering "Challenging the Status Quo: Canadians Who have Made a Difference".

Please visit our website (www.thirdagelearningguelph.ca) to see more details. The names of the speakers and the titles of their talks will be posted soon.

Enid Fanning
Publicity Chair, Third Age Learning

The UGRA Executive Meets with President Summerlee and Vice-President Sullivan

The annual meeting between the UGRA Executive Committee and Alastair Summerlee and Nancy Sullivan took place on April 6. President Summerlee started the meeting with a 20 minute presentation on a range of matters: recent changes in the University, a description of the multi-year plan to erase the University's structural deficit, some developments in the University to look for, and the state of the University's pension plans in light of fiscal realities and current government policy. His presentation was followed by a lively discussion.

President Summerlee pointed out that over the last five years, enrolment increases have boosted College budgets by over 30%. There are 10% more undergraduates, 19% more graduate students, 12% more research funds, and 7% more faculty. He noted that in the last round of undergraduate applications, the University of Guelph has risen to stand third in the Province with respect to application numbers. This is a remarkable achievement given the U of G's size relative to some of the larger universities in Ontario.

But, he also pointed out that the U of G is facing a very significant and serious structural deficit that the administration is in the midst of addressing. The University is now entering the third year of a four-year budget reduction process. All academic and administrative units were asked to make cuts although these were not based on a common percentage across the institution; some were asked to cut proportionally more than others. In any case, the total reductions for the University were $5.5 million in year 1, $16.2 million in year 2, $16.2 million in year 3, and $8.3 million in year 4. President Summerlee said that the year 3 cuts would be the hardest and most painful.

Nearly all of the Colleges have either implemented or identified all of the cuts they are required to make over the four years. While identifying the cuts is hard enough, the real pain starts when those identified cuts are actually implemented. In this sense, the worst is yet to come and President Summerlee expects the worst of the worst to happen during this coming academic year.

President Summerlee then went on to outline some of the major events or developments he anticipates for the University this coming year. He described two President's Dialogues for this year: Canada as Peacekeeper and The University Fighting World Hunger. These topics continue a successful program of open and public lectures that were begun in 2006. He also spoke about initiating a new fundraising capital campaign which he described as the largest ever undertaken by the University.

Other significant developments he identified included the Canada outdoor Equine Expo to be hosted by the University this year, the preparations to be undertaken to be ready for the 150th anniversary of OVC, the development of a significant link between the School of Fine Art and Music and the Power Plant Gallery in Toronto, and the important Task Force Report on Sustainability.

Finally, he turned his remarks toward the state of the pension plan. For details, please see his report elsewhere in the Newsletter.

In the ensuing discussion, note was taken that two of the pension plans are in serious difficulty with respect to wind-up solvency. If the University ceased to be a viable operation and had to lay off all staff members, the plans could not make good on their promised pension payments. President Summerlee estimates that the University will have to make annual payments of between $80 and $100 million over a five-year period to return the plans to solvency. One plan, the Non-Professional Plan, which is now closed and serving only about 100 retirees with an average annual pension of about $6,500, is in a $3 million surplus position. The UGRA has been pressing the University to provide an ad hoc increase to these retirees. President Summerlee argued that the message from the Provincial government is clear; no pension enhancements of any sort shall be given at this time of pension crisis.

The UGRA noted that among the new rules for pensions that were part of the last provincial budget, any action to enhance or change pension benefits (this very language suggests changes might be possible), must be based on the fiscal performance of the plan. The UGRA Executive's view is that

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the surplus in the Non-Professional Plan constitutes a positive performance indicator.

The Province appears to be allowing pension plans to return to wind up solvency over a 10-year instead of the usual 5-year period if the plan owners request such a change. If the University were to opt for this change, President Summerlee estimated that the annual payments would be reduced to $60 to $80 million per year for 10 years. These amounts remain impossibly high. In any case, such a change in payback time could not be made without the agreement of current employees and also with retirees.

No decision will be made about whether to opt for a longer payback time or the method used to secure the agreement of plan members until the up-coming valuation is complete and the full extent of the liabilities are known. Valuation day is set for August 1, 2010 although the process will not be completed until early November 2010.

President Summerlee pointed out that Ontario's University Presidents have been working hard with the provincial government to find a less painful way of handling the pension shortfall. He mentioned that they thought they had secured an agreement to ease the path forward just days prior to the most recent provincial budget. Since then, however, the government seems to have changed its mind and the agreement elements will not be implemented. The financial abyss seems to have reappeared.

More On International Volunteering

Following my note in the Winter 2010 UGRA Newsletter, several colleagues have asked if I could provide a bit more detail on AHED (Academics for Higher Education and Development).

AHED, now represented on about 45 college and university campuses, was set up to assist developing countries to strengthen their institutions of higher education (colleges and universities) across a variety of faculties and disciplines. Volunteers are typically either active or retired faculty and staff from Canadian institutions. Assignments can range from a month or two to a year or two. They support host institutions to develop their teaching and research programs, computer and information technology, library systems, student services, alumni relations, residence life, health services, and so on.

AHED's Canadian partners include CURAC, the Society for Teaching ands Learning in Higher Education and the Association of Registrars of the Universities and Colleges of Canada.

At present, AHED is helping establish a Centre for Disabilities Studies and Services at the Islamic University of Yogyakarta in Indonesia. And in the re-building University of Liberia, Simon Fraser has been assisting in long-term strategic planning and assessing information and library needs. Projects are being explored in supporting the University of Addis Ababa's Faculty of Medicine (with the University of Toronto) and in upgrading computer science and information technology at the University of Cape Coast in Ghana.

AHED welcomes proposals from retirees (and others) for capacity development projects in developing countries. A considerable number of Guelph retirees are experienced in such projects. Suggestions can be directed to Steven Davis, Executive Director (sdavis@ahed-upesed.org) or to Wendy Allen (wallen@ahed-upesed.org). Further details, including how to volunteer, are on the website (www.ahed-upesed.org).

Jim Shute, AHED Rep
University of Guelph

Letters to the Editor

Do you have comments or concerns regarding topics in this newsletter or about UGRA itself that you would like to offer? We welcome our ideas, suggestions and comments.

Please write to us at:

president@ugra.ca or go to our **website at www.ugra.ca a**nd use one of our message posting facilities or you can do it the traditional way:

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The UGRA Budget 2009-2010 Approved and Actual

	Approved	Actual
Total Receipts	13,500	8,003
Expenses		
Newsletter and Web	10,000	4,875
Meetings	1,100	968
CURAC Membership	300	300
CURAC Conference	1,000	1,343
Scholarship	500	500
Bank Charges	15	13
Audit	150	150
Photocopy	50	56
Office Supplies and Misc.	150	0
Total Expenses	13,265	8,205
Variance	235	(202)

UGRA Year End Asset Position for 2009 and 2010

Cash in Bank April 1, 2009	19,954
Subtract Net for 2009-2010	202
Cash in Bank March 31, 2010	19,752

Proposed UGRA Budget for 2010/2011

	Proposed
Total Receipts	11,500
Expenses	
Communications	8,000
Meetings	1,000
CURAC Membership	300
CURAC Conference	500
Scholarship	1,500
Bank Charges	20
Audit	150
Photocopy	50
Office Supplies and Misc.	100
Total Expenses	11, 670
Variance	(70)

Amendments to the Constitution

At the Annual General Meeting, the members will be asked to approve some changes to the UGRA Constitution. The change proposed for Article IIIA simply shifts the language from a reference to an administrative fee to a donation.

The proposed change for Article IV is more significant and arises because of an emerging sense that those who volunteer to be elected onto the Executive Committee are asking for more clarity in the stated expectations for length of service. Certainly, language such as that proposed is common for not-for-profit agency boards of directors.

First Proposed Change

Old Language

ARTICLE IIIA: MEMBERSHIP:

All persons retired from the University of Guelph and their surviving spouses are considered members of the Association and **may be asked** to remit **an annual administrative fee** to cover operating expenses. Anyone not wishing to be considered a member may so inform the secretary in writing.

New Language

ARTICLE IIIA: MEMBERSHIP:

All persons retired from the University of Guelph and their surviving spouses are considered members of the Association and **are encouraged** to remit **a donation** to cover operating expenses. Anyone not wishing to be considered a member may so inform the secretary in writing.

Second Proposed Change

Old Language

ARTICLE IV: OFFICERS AND DIRECTORS:

1. **The Association shall have seven directors and the following officers: President; Vice President (President Elect); Secretary; Treasurer; whose term shall be for one year and shall begin at the close of the Annual General Meeting at which their election occurs.**

   1a: The Immediate Past-President shall also be an officer of the Association.

4. The Vice-President shall act for the President in the latter's absence and carry out any other

duties assigned by the President or the Executive Committee. **Should the Vice-President be unable to complete the term of office, a by-election shall be held.**

New Language

ARTICLE IV: OFFICERS AND DIRECTORS:

1. The Association shall have **twelve** directors including the following officers: President; Vice President (President Elect); Secretary; Treasurer; **Immediate Past President.**

2. Each Director will be elected at an Annual General Meeting for a two-year term. With re-election at subsequent Annual General Meetings, Directors may serve up to two additional two-year terms. After a six-year period, a member must be absent from the Executive for at least one year before seeking re-election to the Executive. The term of the Immediate Past President may be extended to permit him or her to complete the appropriate time as an Officer. The two-year terms shall begin at the close of the Annual General Meeting at which their election occurs.

5. The Vice-President shall act for the President in the latter's absence and carry out any other duties assigned by the President or the Executive Committee. Should the Vice-President be unable to complete the term of office, **the Executive shall appoint a new Vice-President to serve until the next Annual General Meeting.**

COLLEGE AND UNIVERSITY RETIREES ASSOCIATIONS OF CANADA (CURAC)

The Spring, 2010 CURAC Newsletter (http://www.curac.ca/) has the announcement and agenda for the annual conference, which will be held at York University on May 18-20, 2010. The theme for the conference is Pensions, Benefits, and Beyond. Sessions will cover the current issues in P&B's, but also life during retirement years within and beyond the university. Proceedings from previous conferences (and the current one at a later date) can be seen on the CURAC website.

A CURAC Policy Statement on Services and Inclusiveness of Retirees, adopted by the Board, is announced in the Newsletter. In essence, the policy advocates for an understanding that universities include retirees when they negotiate for research-related services for "staff" and "faculty." Two examples given are computer purchasing and access to electronic journals. The reason for adopting the policy is because too often these contracts are interpreted as meaning "active" faculty and staff by the parties involved. CURAC is encouraging universities to make these contracts explicitly include "retirees."

A related article by D. Lubell (Waterloo) and P. Russell (Toronto) is a "follow-up" study to previous correspondence by CURAC with SSHRC and NSERC over granting research funding to retired emeriti. What these authors report is that the percent of emeriti receiving grants has declined in the years between 2000 and 2009 from 70% to 48%. A survey of forty-six graduate deans (17 replied) reveals that the universities are positive toward retirees being involved in their current graduate student involvement and research, but are mixed in their attitudes towards retired faculty undertaking new graduate supervision and research activities.

Other articles in the Spring, 2010 Newsletter include an inclusive summary of the problems at the First Natives University of Canada in Saskatchewan; and a description of the difficulties a member encountered when trying to cancel an on-line subscription for an anti-virus program. This latter article is relevant for anyone who has on-line contracts in general and is disillusioned with the service.

Gary Frankie. CURAC Representative

Moving?

If you move to a new home, please remember to notify Human Resources at the University of your new mailing address. This will ensure that you receive your pension cheques and other correspondence, including the UGRA Newsletter.

There are three ways you can let Human Resources know about your address change. You can phone **519-824-4120 x53374** or you can email **hr@uoguelph.ca** or you can go on the HR website at www.uoguelph.ca/hr/addresschange/.

Human Resources will inform CIBC Mellon, the pension administrator, of the change.

UNIVERSITY of GUELPH

OFFICE OF THE PRESIDENT

Letter from President Summerlee to UGRA President

I would like to provide members of UGRA with an update on the serious financial challenges facing the University due to the solvency funding requirements of our pension plans.

As you know, the University as the sponsor of three defined benefit pension plans is required under Ontario's legislated pension funding requirements to make cash contributions to its pension plans based on "valuations" of the financial status of the plans that are taken a minimum of every three years. The valuations determine whether the plans have surplus or deficits at the point in time of the valuation. Under the PBA (Pension Benefit Act), solvency deficits are required to be funded over a period not to exceed five years. Because these assumptions are based upon financial market conditions at the time of the valuation, results can be very volatile, exposing the University to major changes in cash requirements particularly in times of certain market conditions.

The University is required to prepare valuations for its pension plans on August 1, 2010 at which time the actual size of our cash contributions will be determined. Based on an estimated valuation conducted by the plans' actuary, as of January 2010, the solvency deficit for the three plans was $281 million. Using this valuation, under current filing rules we would expect to be making pension contributions of $80 million per year until the deficit is repaid. This compares to our current budgeted annual contributions of $21 million.

The level of required contribution is particularly sensitive to long-term bond rates and the design of our plans (long term bond rates are used to determine the current value of future pension liabilities). In 2009, recognizing that the current financial climate in combination with current PBA rules will seriously impair many organizations with defined pension plans, the province introduced temporary legislation that would help with the payment of required contributions to some extent. Specifically, sponsors may defer making payments for up to one year after the date of the required valuation. In addition, the "amortization" period or the time period over which a sponsor has to fund any deficits may be extend from five years to ten, assuming a majority of plan members do not object. Given the serious damage these levels of contributions would do to our operations, the University intends to take advantage of this legislative relief, provided of course, that it is able to obtain consent from plan members and retirees as required to extend the amortization period. We will be communicating with retirees in the next few months regarding this relief option. The impact of the extended amortization period is significant and would reduce the required annual cash contributions by about 30%.

Further, for your information, the Province of Ontario in its March 2010 budget proposed a number of additional conditions that would need to be met in order for university pension plans to be granted further temporary solving funding relief. The University is exploring all of these options with the government. These include, converting to a jointly-sponsored arrangement for future pension service; more equitable sharing of normal costs between employees and the University; improved cost certainty and affordability through benefit adjustments, linking inflation protection to fund performance.

The Province is also looking at longer-term pension reform and there may be announcements this summer. I regret that we have had no positive response to date on our repeated requests for solvency relief.

In this climate, I know that you will understand that it is not possible for the University to consider any inflationary adjustments to pensions now being paid beyond what is provided for in the plan design (CPI-2%). At this time, the "going concern" status of the pension plans i.e. the ability to continue to pay your pensions, is not at risk. The solvency funding requirements do, however, place our overall fiscal health at risk and I and other universities continue to make the case with the provincial government for temporary relief in order to give us the time needed to negotiate permanent structural changes to our pension plans while sustaining our core programs and implementing the operational restructuring outlined in the University's Integrated Plan. Key elements of that Integrated Plan are to maintain our enrolment growth, maintain our new directions for learning outcomes and to continue to enhance the undergraduate learning experience for our students.

I can assure you that I will continue to press the provincial government for temporary relief and will keep our retirees updated on the outcome of these efforts.

Thank you for this opportunity to communicate this very difficult situation to your members. I hope that you will consider our actions in our mutual interests to maintain the sound financial conditions of our pension plans.

Yours sincerely,

Alastair J. S. Summerlee, LLD, BSc, BVSc, PhD, MRCVS
President and Vice-Chancellor

Group Insurance Benefits for Retirees

In the recent past your UGRA Executive pushed for improvements in two areas of extended health care: the length of coverage for semi-private hospital accommodation, and an increase in the coverage for hearing aids currently at $300 per person in any five year period. Neither met with any success, and given current realities it is unlikely that we will see any improvements to the plan in the near future.

Last year a hearing aid I needed cost $5,200 (several years earlier I had tried a less expensive one but found it didn't meet my needs). Of this, the province paid $1,000 and Sun Life paid $300. My out of pocket cost was about $3,503 as I saved about $397 in federal and provincial income tax. I am fortunate that I could easily afford this. Other pensioners may not be in this position, so it would be nice if the Plan could offer better coverage for hearing aids.

In 2009 my health insurance premiums cost me $607.80 and my dental care premiums $337.64 for a total of $988.44 (single coverage) for the full year. While I might wish for better support for hearing aids, on balance, I think I receive good coverage for what I pay. For the very first time I have looked carefully at the booklet that describes our benefits and I was impressed by the breadth and scope of coverage. This must be the case for most of us, as very few recent retirees have chosen to opt out of the health insurance plan.

Who Pays?

How do we get such comprehensive coverage at such a reasonable cost? In part it reflects the fact that we are part of a large group plan. But it also reflects the size of the university's contribution. For example, last year the university paid 70% of the cost of extended health care claims and 50% of the cost of dental claims. Our premiums covered the balance.

Where Does the Money Go?

Proportional Cost of Extended Health Care Claims - 2009

Category	%
Prescribed drugs	56.2
Semi-private hospital	13.1
Paramedical practitioners	11.8
Travel insurance	7.6
Medical services and equipment	6.9
Contact lenses and eyeglasses	4.4
Total	100.0

I was surprised that physiotherapy claims (part of paramedical) were about the same as the total for medical services and equipment, and that massage therapy (also part of paramedical) was 2/3 as costly as contact lenses and eyeglasses.

Probably quite a number of us spend a winter month or two somewhere in the U.S "sunbelt", and do so on a regular basis. Have you ever looked into what the cost of medical travel insurance would be for a "snow-bird" vacation? Such costs vary considerably as a function of age and pre-existing medical conditions but the amounts are rarely less than $2000 for a stay of four or five months in the US. Because our benefit plans already include travel insurance, we don't have to go to this extra expense.

A couple I know in their mid '70's and in generally good health routinely purchase medical travel insurance. This year they chose not to spend their usual month in the sun unless gall-bladder surgery could occur before their trip. He was experiencing some painful episodes and with a gall-bladder problem as a pre-existing condition the medical travel insurance costs would have been prohibitive.

We should all read the section in our group insurance benefits booklet under the heading **"What is Not Covered by Your Out-of-Province Coverage".** For example it states that no benefits are payable for:

- Expenses for the regular treatment of an injury or disease that existed before the patient left his or her province of residence.

Can one take this to mean that the emergency treatment of an injury or disease that existed before the patient left his or her province of residence is covered?

If you have any existing condition of concern to you it would be wise to check with human resources or Sun Life before making any assumptions.

By Phil Keddie

Third Age Learning Lecture Series - Fall 2010

Latin America Today: Behind the Headlines

Wednesday mornings at 10 am, Arboretum Centre

22 Sep	Peasant Communities vs. Mining Companies in Latin America with reference to Ecuador	Lisa L. North
29 Sep	Latin America's "Pink Tide": Populism or Democracy?	Jordi Diez
6 Oct	Hillside Farming in Honduras: Training the Hemisphere's Poorest Farmers as Researchers	Sally Humphries
13 Oct	Mexico on the Brink of Explosion or Implosion?	Richard Roman
20 Oct	The Socio-Economic History of Columbia: Why so Much Violence and What Can Be Done About It?	Albert Berry
27 Oct	Insecurity in the Americas	Jorge Nef
3 Nov	Argentina Today: The Long Road to Recovery	Viviana Patroni
10 Nov	Cuba's Revolution: Success or Failure	David Murray

Challenging the Status Quo: Canadian Men and Women Who Made a Difference

Wednesday afternoons at 1:30 pm, Arboretum Centre

22 Sep	Pauline Jewett: A Woman Who Made a Difference	Judith McKenzie
29 Sep	The Ice Men Cometh: The Men who Made Hockey	J. Andrew Ross
6 Oct	Hugh Burnett: The Campaign for Racial Equality in Ontario	James Walker
13 Oct	Canadian Pilots Defending Malta	Richard Bentham Ronald Taborek
20 Oct	Watching Pierre Trudeau	John English
27 Oct	Lucy Maud Montgomery: A Woman Whose Pen Was Her Weapon to Challenge the Status Quo	Mary Henley Rubio
3 Nov	Agnes McPhail	Terry Crowley
10 Nov	Tommy Douglas: Why Don't We Elect Mice?	Patrick Kyba

Be a Contributing Member of the UGRA (2010-2011)

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.

Please use the attached Contributing Membership Form to send with your Contributing Membership payment. 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.

We have also provided a place on the form for those who might wish to contribute more actively to the UGRA either by a willingness to serve on the Executive or by working on a committee or task group to carry out short term projects.

UGRA University of Guelph Retirees Association Contributing Membership Form (2010-2011)

YES! I want to help promote the welfare of retirees and to foster a mutually beneficial relationship between retirees and the University. Please accept my cheque for $20 as my contribution to the UGRA's administrative costs.

Name .... Date ....

Address ....

City/Province .... Postal Code ....

E-mail ....

Amount of your contribution: ....

I would like to receive more information about serving on the Executive of the UGRA or on one of its committees. Yes No Maybe Later (Please circle one)

If Yes, please provide a phone number: ....

Please make cheques 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

Retirees' Social

Thursday, September 2, 2010
2:30 p.m. - 4:00 p.m.
Peter Clark Hall

Please join President Alastair Summerlee for an afternoon social to renew old acquaintances and hear what's new and changing at the university.

A brief program will be followed by light refreshments.

Please Note individual invitations will not be sent in the mail.

If you plan to attend, please reply by **Friday, August 20, 2010 to Norma Harrington** at **normahar@uoguelph.ca, or phone 519-824-4120, extension 56991.**

A shuttle service will be provided to Peter Clark Hall from parking lots P14 & P15 between 2:00 p.m. and 4:30 p.m..

Please indicate in your reply if you require disability parking.

Group Insurance Plans

The Waterloo Insurance Company is offering Automobile and Property insurance at competitive rates through a Group plan with CURAC. Members can save up to 60% plus their group discount on property and auto insurance with Waterloo Insurance. There are no interest charges on monthly payment plans, and individually tailored service.
Additional discounts could apply for; multi-vehicle coverage, vehicle anti-theft systems, new home, home alarm, claims free status, policyholder age, mortgage free or combining both auto and property coverage with Waterloo Insurance.

If you would like to receive a quote call the Waterloo Insurance Sales and Service centre (1-866-247-7700) or go to their website: www.waterlooinsurancequote.ca. The Group Code number to use is 6262. The Announcement for this agreement can be found in the Spring, 2010 Newsletter of CURAC.

PUBLICATIONS MAIL AGREEMENT NO. 40064673

RETURN UNDELIVERABLE CANADIAN ADDRESSES TO: ITEMS TO
UNIVERSITY OF GUELPH RETIREES' ASSOCIATION
P.O. BOX 4916
UNIVERSITY OF GUELPH
GUELPH, ONTARIO
CANADA N1G 2W1

CANADA POST / POSTES CANADA

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