As mentioned in my previous message, one of my goals for the year was to initiate programs to make UGRA more helpful and relevant to its members. While the UGRA executive continues to monitor the current financial conditions of our pension plans, (see Bruce Ryan’s informative piece on the implications of interest rate levels for the pension solvency crisis elsewhere in the newsletter), two other initiatives are being undertaken.

Meetings with Alumni Affairs commenced last summer and are continuing to date to determine if there are areas of mutual interest for UGRA to enter into a Memorandum of Agreement, similar to that which Alumni Affairs has with its various alumni associations. Some of the benefits to UGRA and retirees might include some administrative support, invitations to Alumni events for retirees living outside of Guelph and possibly discounts to the theatre, sporting events, etc. currently only available to University of Guelph alumni.

Meetings with Alumni Affairs commenced last summer and are continuing to date to determine if there are areas of mutual interest for UGRA to enter into a Memorandum of Agreement, similar to that which Alumni Affairs has with its various alumni associations.

The other significant initiative that the executive has been working on is the “UGRA Forum” mentioned in the last newsletter. In that regard, mark Tuesday, April 5 at 1:30 p.m. on your calendar. The UGRA executive, in an attempt to generate more interest and involvement amongst retirees, is hosting the first annual “UGRA Forum: Benefits, Taxes and Fraud” at the Arboretum Centre. Some of the topics covered will include potential income tax savings through income splitting, tax free savings accounts, tax advantaged investments, identity theft, scams and frauds to be aware of, and travel abroad and your health care plan.

The format will be to have three experts speak for approximately 20 minutes on their area of expertise followed by a refreshment break after which there will be a question and answer session.

The date, time and topics were carefully selected to generate as much participation as possible.

Your executive is quite excited about this new venture and we look forward to seeing you in April.

Dale Lockie, President

Dale Lockie

First Annual UGRA Forum: Benefits, Taxes and Fraud

 Speakers: Colette McGlynn, Account Executive, Sun Life Representative
           Dennis Weiler, Partner, Weiler & Company
           Constable Tina Ryan, Fraud Division

“Travel Abroad and Your Health Care Plan”
“Tax Strategies for Retirees”
“Avoiding Identity Theft, Scams and Frauds”

Refreshments provided.

Date: April 5
Time: 1:30 to 3:30 pm.
Place: Arboretum Centre
One of the privileges the University extends to all retirees is the option to retain the email account they have been using during their working role within the University. Recently, the UGRA Executive has heard concerns raised by some retirees about the way their email account is working and what other options their email ID opens for them. The system, it seems, is not fully transparent. Some time ago, the UGRA met with representatives of HR and CCS to clarify how things work behind the scenes and who has access to what.

First, some basics. Each employee of the University is entitled to an email account although not all employees might feel the need to have or use email. Some employees may have been in the habit of using local domain email addresses (e.g., psy.uoguelph.ca) instead of the universal ‘uoguelph.ca’ email address domain. They will, however, also have had the universal uoguelph email address (even if they didn’t use it) and this is the one that is retained upon retirement.

Then there is the matter of what is sometimes designated the ‘central login ID’ and the ‘email ID’. In reality, the ‘central login ID’ is left over from an earlier time (although some sectors of the University still use this language…the library, for example) while the University generally expects us to work with our email ID. If your name is John Doe, your central login ID may be ‘jdoe’ and your email ID may be ‘jdoe@uoguelph.ca’. For the most part, this distinction does not matter; the computer systems treat them as equivalent bits of information.

Somewhere in the bowels of the University’s central computer is a complex identity table of codes where each of us who have an email/central login ID have a set of specific privileges linked to our ID. Basically, persons who are employees of the University have more privileges than we do as retirees. When we use our ID to identify ourselves when we are logging onto one of the University websites, the computer system consults this table and determines what resources we are eligible to use at, for example, the library or the software distribution site, where there might be a range of access privileges depending on the negotiated software distribution licenses.

The situation for retirees can be complicated. When employees retire, their codes in the identity table are changed to enable the system to award or restrict privileges as the case may be. University Professors Emeriti, for example, have more privileges than other retirees. If retirees return to teach or are even temporarily paid for work in the University the identity table codes are changed again to reflect the changed status within the University. Once the employment contract ceases, the codes again change. The shifting access to privileges may seem puzzling. In addition, the situation can be even more confusing because some weeks might pass before an employment status change gets reflected in the computer system identity table. Paperwork lags are common in most organizations.

The bottom line is that if you experience problems with your email or with any of the University’s information technology services, call the CCS Help Desk at ext 58888 or send an email message to 58888help@uoguelph.ca. They can usually sort things out for you. But then, you might want access to privileges that the identity table, which is based on various policies, denies to you. If you find yourself in this situation, you may have to contact your base department and see if you can negotiate some sort of sponsored arrangement giving you more open access.
E-Claims Option is Here! For Extended Health Care & Dental Expenses

We are pleased to announce that University of Guelph Faculty, Staff and Retirees enrolled in the Extended Health Care and Dental plans can now submit claims online through the Sun Life secure member website.

E-Claims is a simple and convenient option for you to submit many dental, vision and paramedical claims for immediate on-line adjudication and payment directly to your bank account within 24 to 48 hours.

E-claims is also a “green” initiative that brings us one step closer to completely paperless medical and dental claims while providing you with a more efficient claim process.

Just remember to keep your receipts for a year after your claim submission. Random audits will be part of the process.

When you are ready to explore the online features of the Sun Life Member website go to www.sunlife.ca and enter your Sun Life access ID and password. If you need an access ID and password, simply enter “Register now” to get started. Along with e-claims, registering provides you with many other benefits such as the ability to view your claims history, coverage information and much more.

Questions?

Additional information is available by first going on the University of Guelph Human Resources web site at, www.uoguelph.ca/hr/retirement/ and clicking on, “Retiree Benefits”.

For assistance, please contact Sun Life at 1-800-361-6212 from 8 a.m. to 8 p.m. ET Monday to Friday.

Vince Pellegrino
Human Resources

UGRA Scholarship
Application Deadline is May 15

The University of Guelph Retirees Association has established a scholarship in the amount of $1,500 that is intended for students in a degree program who is the child, grand child or great grand child of a U of G retiree. Applications are to be made to Student Financial Services no later than May 15. The application must be accompanied with a letter indicating the name of the retiree and specifying the applicant’s relationship with the retiree. Recipients cannot hold this scholarship and another scholarship greater than $1,500 at the same time.
In January 1991 a decision was taken to establish the University of Guelph Retirees’ Association (UGRA) with an interim executive consisting of Elmer Menzie, President; Archie McIntyre, Vice-President; and Don Jose, Secretary. Rick Richards, George Barker and Earl MacNaughton were directors. Earl was a major resource person for the newly formed association. He was familiar with details of the Pension Plan and with various aspects of the funding. He developed several analytic reports outlining the nature of the fund and costs associated with various alternative proposals for pension improvements. His work was important to decisions regarding the organization’s objectives and continued to be so for several years. Earl was UGRA’s first representative to provide input to the Advisory Committee on Pensions and Benefits (ACPB) from the retirees’ perspective. [Note: the ACPB ceased to operate a number of years ago] In February 1991, George Barker resigned his post and enlisted Bob Logan as his replacement on the interim Executive.

The Retirees Association was officially established on 21 June 1991. The interim executive, plus Neil Sullivan as Treasurer, was elected as the Association officers for the coming year. There were 40 members in attendance and 114 registered as what we now call ‘contributing members’. Since that time, the organization has taken on other activities and goals in addition to those pertaining to pensions and benefits. UGRA has grown now to more than 1800 members. Many committee and executive members have, over the years, contributed countless volunteer hours to the Association. Members are invited to make a voluntary contribution of $20 per year to cover such costs as a newsletter, mailings, meeting room rental, etc.

At least since the Fall of 2006, President Summerlee has maintained a blog in which he raises issues, comments on events, explains decisions and explores possibilities for the University of Guelph. Check it out at this link: http://www.uoguelph.ca/president/blog/. He calls it, From the President’s Window. There is an archive there that will let you look back to nearly five years of comment and commentary.

One of the very recent postings discusses the plans for the new athletics facilities. To quote from his posting:

While U of G is a leader in this area, we are falling behind in our facilities. The Mitchell Athletics Centre was once considered cutting-edge. But it was built in 1941 with small expansions in 1957 and in the early 90’s.

We are now a school close to 20,000 students, and everyone who uses the facility knows that it simply does not meet today’s standards or needs. We have simply made due while other universities have built state-of-the-art fitness and recreation facilities.

Our students recognized this shortfall and passed a referendum to raise funds for a new Athletics Complex. The plan is to create a place that will engage all students. It will include facilities for all sorts of physical activities as well as meeting rooms and congregation space for all to enjoy.

The posting also includes a YouTube video that provides a narrated (not by President Summerlee) tour of the proposed facility and will give you a good idea of how the entire development should look when it is finished.
The Pension Solvency Crisis: Why Do Interest Rates Matter So Much?

We all know by now that our University of Guelph pension plans are seriously underfunded according to the ‘solvency test’ while the ‘on-going concern test’ results are not unduly worrying. This means that as long as the University stays in business, there is no significant problem with the University’s capacity to sustain the pension plans. But, the failure to pass the solvency test means that if the University was to go out of business, there are insufficient funds currently in the plans to meet the plans’ obligations to retirees.

What or who is to blame for the solvency crisis? There are several contributing culprits. The pension holidays taken mostly in the 1990s are partly to blame because it meant that the total money in the funds was not large enough to deal with the market shortfalls and lower interest rates in the last two or three years. That said, the University was forced to take nearly all of the holidays because the Canada Revenue Agency rules do not permit the pension fund reserve to grow beyond a certain point. While the U of G could have placed the money saved from the pension holidays aside for use at a later date, a decision was taken at the time to spend the money on operations (protecting jobs, providing services, etc.). Now we wish a different decision had been taken. So much for the value of hindsight. But, in truth, the shortfalls due to the pension holidays are not that large and their blame for the crisis is relatively slight.

Another candidate for blame is the collapse of the stock markets, although there has been a reasonable recovery since the worst days of 2008-2009. Still, the sheer size of the pool of funds is less than what is needed to pay the pensions owed to retirees. Things would be better if the investments had not dropped in value so much. At the end of the day, however, the blame to be laid on the markets and the investment strategy is also relatively slight.

The biggest culprit in the crisis is the level of current long-term interest rates (short-term rates are not particularly important in this context) and the role these rates play in estimating the funds that will be required to meet the long-term pension needs of retirees. Why? When a business is wound up the amount of money supporting any pension plan is frozen at its current level. The actuaries at that point know the size of the principal in the plan. They also know how many people are in the plan and they know how old they are. They know from the plan rules how much the plan has to pay to cover the promised pensions. They can then estimate, on average, when the retirees will die off and cease being a cost to the program. (This is not a nice way to talk about ourselves but we must be realistic about this.)

At this point the actuaries have to work out how to make the available money last until the final pension payment is made to the last surviving retiree. This will take years, of course, and the pension funds, being invested, will continue to grow. Because the investments will be necessarily conservative, interest rates, especially the long-term rates that are essentially set by the bond market, will be critical to the rate at which the invested funds will grow.

If the long-term interest rates are low, then the starting size of the principal will need to be large in order to enable the ultimate number of pension payments to be made. If the actuaries can take it that interest rates will be higher, then it is possible to begin with a smaller fund.

The main problem facing our U of G pension funds is that the current amount of money in the funds is too low in relation to the current level of long-term interest rates; hence, the conclusion that our plans are underfunded on a solvency basis. Should interest rates rise, the threat to the plans will correspondingly drop. In fact, Mercer, a Canadian pensions consulting firm, has recently estimated that a rise of a third of 1% in long-term rates could translate into a drop of about 5% in liabilities. Clearly, an interest rate rise of 2% would be enormously helpful to the plans.

This is why interest rates matter so much.

Pneumonia Vaccine: Free to All Ontario Seniors

Many family doctors remind their patients, when they turn 65 years of age, that they are eligible for a pneumonia protection vaccine. Some doctors forget to mention it, especially if their turning-65 patients do not regularly appear in their offices. Public health authorities recommend that each of us ask for the vaccine if it is not offered. Here is a quote from the Ontario Seniors’ Secretariat website.

“The pneumonia vaccine provides protection against a common cause of pneumonia and other systemic infections. You only need to get this vaccine once to be protected and it can be given at any time of year, including at the same time as the influenza vaccine. This vaccine is provided free of charge to adults 65 years of age and over, and those under 65 with specific high-risk medical conditions, such as chronic heart, kidney or lung disease, and diseases that suppress the immune system. Speak with your doctor if this is right for you.”
Look Beyond Sun Life for Health Benefits

In the last issue (Fall 2010) of the UGRA Newsletter, Gary Frankie provided a report of the CURAC Conference. He referred in some detail to the comments made by Ann Schramm of Morneau Sebaco Funds about the importance of being familiar not only with the benefits available under our Group Insurance Benefits plan but also with other services available for in-home assistance, long term care, assisted living, etc. additional to those in our benefits package.

The first step in assuring this is to be fully aware of the range of medical services and equipment as well as the services of paramedical practitioners available under our Sun Life benefits plan. Prescribed drugs and semi-private hospital care are the leading items in terms of cost. The following are the other services and equipment for which our benefits plan incurred costs in 2009 (ranked by cost in each category).

**Medical Services and Equipment**
- Contact Lenses and Eyeglasses
- Orthotics / Orthopaedic Shoes
- Private Duty Nursing
- Equipment
- Other
- Hearing Aids
- Laboratory
- Prosthesis
- Ambulance

**Paramedical Practitioners**
- Physiotherapist
- Massage Therapist
- Chiropractor
- Optometrist/Ophthalmologist
- Acupuncturist
- Podiatrist / Chiropodist
- Naturopath
- Psychologist
- Other Practitioners/Osteopath

As we are all aware, there are limits on both the amount and frequency of coverage and, in part, these are spelled out clearly in the benefits booklet available from U of G Human Resources. The only one of these that I have experience with is the coverage for hearing aids; it reads “Hearing aids and repairs, excluding batteries, up to $300 per person in any five-year period.” I was pleasantly surprised to discover that the province provided me with $1,000 toward the cost (or $500 per ear) in addition to Sun Life’s $300.

This brings me to the second source of information of which one should be aware. It is called the Assistive Devices Program (ADP) of the Ontario Ministry of Health and Long-Term Care. One can access information about it via Google - just type in Assistive Devices Program, Ontario.

I was able to obtain two sets of information about this program from the Ministry website. The first set (2 pages) labeled Assistive Devices Program outlines the program under a number of headings: Equipment Funded by ADP, Eligibility, Accessing ADP, Authorizer, Vendor and Financial Assistance. The second set of information (3 pages) labeled Categories of Assistive Devices lists devices, supplies, etc. under 11 headings. As noted in the information provided, ADP covers 8,000 separate pieces of equipment and supplies. In most cases it seems that ADP pays up to 75 percent of the cost. It also identifies sources of funding for the clients’ share including insurance companies.

Assistive Devices Program toll free number (Ontario only):
1-800-268-6021

By Phil Keddie
Chair, UGRA Benefits Committee
Be a Contributing Member of 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.

The UGRA Executive Committee Needs Feedback

The UGRA Executive Committee is supposed to be acting on behalf of the interests of University of Guelph retirees. Without input from our members, we operate partly in a vacuum where we try to imagine what retirees see as important issues and concerns. To do this job well, it helps to have more information. So, please take the opportunity to let us know what you are thinking about.

Here are the ways you can contact us:

By Email: president@ugra.ca
Via the 'Contact Us' tab on the website: www.ugra.ca
By Phone: 519-824-4120 x52197. This is phone mail only. Just leave a message.
By Letter: University of Guelph Retirees Association
P.O. Box 48-4916
University of Guelph
Guelph, ON N1G 2W1

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

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 519-825-4120 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.

UGRA University of Guelph Retirees Association

Winter 2011
Summerlee's Term Extended

The University of Guelph’s Board of Governors has unanimously voted to extend president Alastair Summerlee’s second term in office by 12 months to June 30, 2014.

The decision was announced today by Evan Siddall, chair of U of G’s Board of Governors. The goal is to align the completion of Summerlee’s presidential term with the culmination of both the BetterPlanet Project and the University’s 50th anniversary in 2014.

“Dr. Summerlee is doing an excellent job of leading this university, and he will play an instrumental role in achieving these milestones,” Siddall said.

The BetterPlanet Project, launched last fall, spells out a vision of what the University wants to accomplish and a strategy for accelerating innovation. It aims to raise $200 million by 2014, when U of G will celebrate its 50th anniversary.

“I am delighted that I will be able to see these two important initiatives through to fruition,” Summerlee said. “It’s an honour and a privilege to lead this university, and I am grateful that the board and U of G community entrust me with this responsibility.”

Summerlee was named U of G’s seventh president in 2003. It was the first time in U of G’s history that an internal candidate was named president. He is currently in his second term.

January 19, 2011 – Reprinted from the Campus Bulletin

About Our Benefits Plans

As of December 2009 some 1,490 retirees were enrolled in our extended health care plans. Of these, 747 were covered by the old plan (for those who retired before 1997) and 743 were covered by the new plan. There are differences, mostly minor, between the two plans.

There are two categories of coverage - family and single. For those under the old plan, 43.2% had family coverage and 56.8% single coverage. For those covered under the new plan, 69.4% had family coverage and 30.6% single.

This difference presumably reflects the greater incidence of loss of spouse or partner among retirees covered by the old plan.

If one multiplies the number covered under the family category by two, then a total of 2,329 or more people were covered by our extended health care plan as of December 2009. I say “or more”, because there may be some dependent children covered in the family category.

The second aspect of our benefits plan is dental care. The number of retirees in the dental care plan, 1,187, was only 79.7% as large as those covered by extended health care, indicating a decision by some retirees to opt out of the dental care plan. More retirees under the old plan (33.4%) had opted out of dental coverage than those under the new plan who had opted out (7.3%). Does this reflect a reality that at some point, with increased age, the need for dental care diminishes?

Phil Keddie
Chair
UGRA Benefits Committee