



Pension and Retirement Concerns Committee Liaison Report September 2017

The Pension and Retirement Concerns Committee has held its September committee meeting. This liaison report reflects the ongoing work of the committee.

A. Strategic Plan

Priorities

1. Policy

The policy concerning defined benefit pension plans developed by the Pension and Retirement Concerns Committee was adopted at the May Senate.

2. Resource Paper

A resource paper was developed to explain in simple language the types of pensions and the implications for RTO/ERO of bill C-27. It will be reviewed and made available to Districts.

3. Workshop 2018

The Committee is well into planning for the PRCC September 2018 workshop. The format and content will be revealed in due time. If you have any suggestions, you would like for us to address please contact your liaison person.

4. Resource Materials

Fact Sheets

As you probably have noticed the fact sheets are not available on the website. The committee has studied their relevance and our ability to maintain them up to date. It was decided that we would approach members need for information in a different format.

The committee will review the pertinence of all fact sheets. We will then decide which ones are to be kept as such, and posted, which one would be best addressed by giving a URL link to the most recent and credible web pages, and which one will be abandoned.

For the past three years we have been working on a document we call "Staging our Aging." It will be adapted to make it easy for members to get up to date pertinent and reliable information through our website.

Self-Assessment Tool

When a potential member attends a retirement Planning Workshop, it is hard for them to retain and digest all the information that is presented during the session. The document

“Your Road to Retirement” has been created as a follow-up to the workshop. The document contains many links to government websites, and worksheets designed to help them navigate through the system as they are about to retire and also through their first years of retirement. It will also reiterate RTO/ERO’s health plan and services that will be important for them.

It will be distributed to attendees as an attachment to the follow-up message that RTO/ERO sends all attendees of workshops. We hope it will be available for the upcoming 2018 RPW.

B. Pensions

1. Conditional Inflation Protection

For the fourth year in a row, Teachers’ has registered a surplus in the plan. The Plan Partners have decided that they will continue to use the 11.5 billion dollar surplus to restore all members to full indexing. For the past four years, indexing has slowly been restored and are now set at 100% for all retirees. The pensions have also been recalculated, on a going forward basis, so that the pensions have been readjusted to compensate for the loss.

The contribution rate active Plan members have to pay will be reduced by 1.1%.

Conditional inflation protection has proven to be an effective tool for managing Plan deficits. Nevertheless, in the future, if or rather when the plan experiences a deficit, conditional indexing we be invoked.

2. Bill C-27

On October 16, 2016, Bill C-27 (an Act to amend the pension Benefits Standard Act, 1985) was presented to the House of Commons for its first reading. The second reading is expected this fall.

OTPP AND OMERS are well-defined benefit pension plan. They are secure well funded and well managed. Why is it important for RTO/ERO to oppose Bill C-27 and for me to mobilize against it?

Bill C-27 removes employers’ legal requirements to fund plan benefits. This means that benefits could be reduced going forward or even retroactively. Unions speaking for their members could agree to move to target plans. In encouraging the establishment of Target Benefit plans, Bill C-27 also allows current employees to surrender their guaranteed DB benefits for non-guaranteed TB benefits.

In the future if a group of employees decide to surrender their DB plans and move to Target plans, those who are retired and remain with their plan will eventually find themselves with an unfunded plan.

The potential effects in the long-term warrant RTO/ERO to actively oppose this bill. Make your MPP aware that you will be monitoring them concerning Bill C-27 and that will greatly influence your vote and that of your family in the 2018 elections.

The Coalition for Pension Security has set up a website for you to express your opposition to the Bill.

a. www.honouryourpromise.ca

Attached to this report you will find the letter that was sent to Prime Minister Trudeau on your behalf.

C. Pension Concerns

Life expectancy is much higher than when we started our active work life. Nowadays a person can expect to live well beyond their 85th birthday. Many issues face this new generation of seniors. Other than health and financial issues, social isolation and loneliness is one that has surfaced and attracts more and more our attention. Being alone is difficult to cope with at any age and even more so in our senior years.

Retirement often coincides with the loss of a partner, or the time that our children leave home and being busy with their own carers, their family, and their friends. Although they still love you, they do not realize that a phone call, an email, can brighten your day and make a world of difference. Young people nowadays have their iPhone glued to their fingers. Let us make them aware that a “Hi Dad or Hi Mom” message takes no time and helps to break this feeling of loneliness. Grandchildren, as they grow older forget that grandma and grandpa still need their affection and their presence. We were the same at their age, so we cannot through the stone to anyone. Nevertheless, as a society, as a senior’s organization we must deal with this issue.

What are the risks of social isolation? Without going through an exhaustive list, here are some of the most apparent risks; increased risk of mortality, cognitive decline and risk of dementia, increased vulnerability to elder abuse, increased risk of high blood pressure, increased risk of depressive symptoms, poor physical health as a result of less physical activity or poor diet and bad eating habits.

How can social isolation be prevented? It can be achieved by promoting social health and connectedness is important when it comes to avoiding feelings of loneliness and isolation. We have to encourage our members to get involved in social activities, to share meals, to become comfortable with technology. We have to develop an outreach program so that those who live in isolation will be identified and encouraged to participate with colleagues.

We as RTO/ERO as a senior’s organization have to start acting on this issue.

INFORMATION SECTION

A. DID YOU KNOW?

The Old Age Security program is the Government of Canada’s largest pension program. It is funded out of the general revenues of the Government of Canada, which means that you do not

pay into it directly. The Old Age Security (OAS) pension is a monthly payment available to seniors aged 65 and older who meet the Canadian legal status and residence requirements. You may need to apply to receive it.

In addition to the OAS pension, there are three types of OAS benefits:

1. Guaranteed Income Supplement

If you live in Canada and you have a low income, this monthly non-taxable benefit can be added to your OAS pension.

2. Allowance

If you are 60 to 64 years of age and your spouse or common-law partner is receiving the OAS pension and is eligible for the Guaranteed Income Supplement (GIS), you might be eligible to receive this benefit.

3. Allowance for the Survivor

If you are 60 to 64 years of age and you are widowed, you might be eligible to receive this benefit.

For More Information, please visit:

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-benefit/while-receiving.html>

B. FAQ

1. Question

Is my pension secure?

Answer

Often, we have the impression that our Defined Benefit pensions are not secure. We hear horror stories about different DB plans from companies that have gone bankrupt, and that employees have no more pensions or that the benefits are substantially reduced.

We, TEACHERS and OMERS are secure plans because we are in partnership with the government, sharing the benefits and risks. Our investment policies are second to none in the pension world, resulting in surpluses that compensate for less income from active members. We have proven that we can sustain a market melt down like the 2008 crash and redress the situation without affecting retiree pensions. Our leaders have set aside politics to work as one to ensure that the best policies are in place to deal global financial events.

Yes, your pension is there to meet your needs today and in the future.

You can rest assured for the future.

C. Monitoring Organizations

As a continuing work of the Committee we monitor different organizations that deals with pensions and seniors' issues. Here is the link to two of these groups.

➤ **Pension Pulse**

This blog is written by Keith Ambachtsheer, Director Emeritus, International Center for Pension Management, Rotman School of Management, University of Toronto.
This blog can be followed at www.pensionpulse.blogspot.ca

➤ **Canadian Snowbirds Association**

The website provides information for Canadian travellers to the United States.
<http://www.snowbirds.org/>

Do you have a question for us? Contact your liaison member.

Our next scheduled meeting is on November 29, 2017. If you have any questions from your District or would like to make suggestions to the PRCC Committee, please do so through your liaison person at least one week before the meeting.

Conclusion

I would like to thank Morris Tait and Malcolm Beddoe who have completed their mandate on the PRCC Committee. Their input and insight have benefited us all. Thank you.

Be proud of your pension. You have earned it.

Thank you all for supporting the Pension and Retirement Concerns in your District.

Committee members

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Respectfully submitted

Roger Régimbal
Chair