



Prime Time

Association of British Columbia
College Pension Plan Retirees'
Newsletter



2020
Winter
Edition

President's Message

How have you all been surviving winter so far? Those of us living on the south coast have endured a January that is one of the wettest on record. However, there are daffodils already blooming here on Mayne Island, so can spring really be far behind? Perhaps you are thinking of selling up and moving to a condo where a contractor is paid to clear the snow and someone else does the gardening. Or perhaps you'd like less house but more garden. If so, you'll be interested in the article on downsizing on pages 4-5.

February is a favourite month for fleeing winter doldrums and heading somewhere sunny and warm, and many of us are covered by Medoc insurance just in case something untoward occurs while we're away.

Insurance remains a hot topic with our members, and you will be glad to know that Al Valleau is still working with Johnson investigating what products could be made available to us. Members tell us they would like access to an extended health plan including travel insurance, and we have relayed this interest to the Trustees. At the moment, Green Shield, the not for profit company that offers the optional health and dental plans arranged by the Pension Corporation, does not offer such a plan.

Those of you who do participate in Green Shield's plans probably received an unsolicited email from them just before Christmas offering you access to Maple, a fee for service on-line consultation with a doctor. That email raises concerns. One, is the unsolicited email. The company used information it holds for a purpose other than for the agreed purpose: to communicate with its policy holders about their *individual* situations. The other is the issue of private medicine. On this latter point, I expect our members' opinions are individual and varied. In January, I wrote to Kerry Clarke, the Chair of the Pension Board of Trustees, questioning the legality of such an approach to policy holders, and I understand that the issue is being investigated by the Board.

I had also written to Kerry Clarke in November expressing concerns about the proposed changes to *Pension Life* the twice yearly newsletter all retirees receive from the Pension Corporation. You will have noticed that January's version is just one printed sheet, and, as CPPR was informed in November, PenCorp plans to move to a digital only version by this time next year. As a result of my letter, Kim Kenyon the Board Secretary for the College Pension Board of Trustees, Pension Board Secretariat and Jody Moseley, Director, Digital Experience and Communication Services for the Pension Corporation joined the executive its January meeting. We reiterated our concerns about the planned changes. Not all our members have reliable broad band access; not all of us are comfortable with navigating the digital world. We realised from our discussions with Kim and Jody that, at least from our point of view, more consideration is needed before any further changes are made. We discovered, for example, that the Pension Corporation may not have up-to-date email addresses for all retirees. In my January letter to

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PRIME TIME is published twice a year. If you would like to contribute an article or images, please contact Mary L. Griffin marylgriffin@telus.net or Al Valleau al.valleau@shaw.ca.

Kerry Clarke, I asked that the decision be reconsidered and that “the move to digital communication be governed by the same procedures that the Pension Corporation intends to use for statutorily required information and that members be given the individual authorization to go digital and the ability to rescind such authorization.”

While we’re still thinking about the recent *Pension Life*, did you notice that your T4A was tucked in behind your benefit statement? I almost missed mine. It’s hard to believe it’s almost Tax Time again; however, it’s good to see that increase to our pensions. You’ll see in Paul’s “From the Board Table” column (pages 3-4) his comments on cost of living adjustments. One of the aspects of our lives as retirees that seems to be constant for many of us is the cost of prescription drugs. You’ll see in Al Valleau’s column (pages 5-6) that he addresses the issue of drug recalls and the idea of a national Pharmacare program. I have written to the provincial Minister of Health pointing out that different pharmacies appear to have had different protocols in place for dealing with prescription drugs returned as a result of recalls. As an affiliate of the National Pensioners’ Federation, CPPR has signed the Pharmacare Now statement prepared by the Canadian Health Coalition. Other retiree associations in BC such as the Retired Teachers’ Association (BCRTA) and the Government Retired Employees’ Association (BCGREA) have also signalled their support.

Al and Gerry Tiede from the RTA have continued to meet fairly regularly to discuss issues that both organizations share. I have been in touch with Gerry and we are hoping to meet with representatives of both the retired BC government employees (BCGREA) and the Municipal Pension Retirees Association (MPRA) later in the spring. As groups speaking for recipients of pensions administered by the BC Pension Corporation, we have much in common and can benefit at times from speaking with one voice.

Towards the end of this month, I will be attending the SHARE Investment Summit. This year’s focus is “the climate crisis and just transition, inequality, the future of work and reconciliation” (<http://events.share.ca/about/>). The event is, of course, targeted primarily towards those who manage pension investments, but my experience at the 2018 event showed that it is also a useful place to meet those who are planning for retirees and reminding them that we need to be consulted. We have experience living with the decisions made by those who manage our pension funds and are, therefore, an excellent resource for their future planning.

So work at CPPR goes on. We are finding our feet as an independent organization, building relationships with the pension corporation and partners. You can help make us even stronger by encouraging a retired colleague to join us. Don’t forget that free first year’s membership for full individual members who consent to the Pension Corporation deducting annual dues from the September pension cheque. As you know, a resolution amending our constitution to include the Affiliate membership category was on the Agenda for our November AGM, and the members in attendance approved the change. So if you belong to the retiree association of your past institution, that association can now take out an Affiliate membership and have a representative attend and speak at our executive meetings. Put them in touch with us and us with them.

I hope this issue of *Prime Time* gives you some respite from winter and things to think about.

Mary L. Griffin

From the Board Table

Investment Returns Crucial to Our Pension Plan's Health

As we begin another decade, the College Pension Plan is reaping the rewards of solid investment returns over the past decade. During the last fiscal year for the plan, which ended on August 31, 2019, assets rose to \$5.3 billion. The five year annualized return on investments was 7.4%. The rate of return on investments is, of course, a crucial measure of our pension plan's health.

Over 8,000 former college employees now receive pensions. But, contrary to what some plan members think, the contributions they and their employers made over their working years account for only around 30% of the pensions they receive. The other 70% is funded by the returns on investment of those contributions.

And solid returns on investments are the reason for the positive results of the last tri-annual actuarial valuation of the plan. Last spring, the actuary completed his work and reported that, as of August 30, 2018, the College Pension Plan's assets equalled 106% of its liabilities. The Plan has a surplus of \$303 million. This is the second surplus valuation in a row; in 2015 the ratio of assets to liabilities was 103%.

A big part of that surplus has been allocated to improve inflation protection. The cap on COLA (Cost of Living Adjustments) has been raised from 2.07% per year—a cap established three years ago—to 2.50% per year. At that level, full inflation protection is a reality under normal economic circumstances, though most of us retirees have experienced inflation rates that were anything but “normal.”

Speaking of inflation protection, the 2020 COLA is 1.9%, which reflects the full level of inflation for the previous year. Your pensions will be increased by that amount effective January 1, 2020 and the increase will be reflected in pension payments at the end of January. It's always interesting to compare your very first pension payment after retirement with your most recent one. The impact of inflation adjustments over time can be pleasantly surprising.

So how have those responsible for managing the plan and investing its assets—the Board of Trustees and the B.C. Investment Management Corporation (BCI)—achieved these positive investment results? There are many important factors, but underlying them all is a prudent, long-term approach to investments. Quarterly or even annual results are not as important as five or ten year analyses of how the plan is doing and what changes to investments should be considered.

Over the past decade or two, the College Pension Plan, like other public sector plans, has greatly diversified its investment portfolio. When I first enrolled in the pension plan, almost all its assets were invested in bonds and publicly traded equities. How times have changed! Presently only 14% of plan assets are invested in bonds and 35% in Canadian and global (largely US) stocks. Real estate and mortgages account for nearly 20% of investments; private placements and emerging market equities are another 20% of the portfolio; and infrastructure adds 10% to the assets.

Of course, BCI and the Board of Trustees constantly monitor the investment portfolio. And at least every three years the Board undertakes a detailed analysis of the allocation of plan assets. It decides whether or not to alter the percentage of assets invested in each category—bonds or stocks, mortgages or infrastructure, domestic or international markets, etc. The whole process of “asset allocation,” as it's called, will take about a year.

This diversification of assets, the constant analysis of asset allocation, and the long-term investment horizon set BCI activities apart from other large scale investors. Another thing that sets BCI apart is its non-profit status and the low fees it needs to sustain its operations. And we all benefit from that.

I hope this overview of what the College Pension Plan invests in, of how it manages those investments, and of how positive the results have recently been has been informative and useful. Much more information on investments and returns can be found in the 2018 Annual Report and the 2019 Report to Members on the College Pension Plan website.

I want to end on a note of caution. As you know from managing your own assets, past results are no guarantee of future returns. And there are surely enough storm clouds on the horizon to keep trustees gnawing their finger nails: prolonged low interest rates, a ten year expansionary period which must end some time, trade disputes, political uncertainties. The Board of Trustees will continue to focus on a long-term investment horizon, to diversify investments, and to monitor and manage risk as a prudent investor should.

Paul Ramsey, Retiree Trustee, College Pension Plan. ramsey@shaw.ca

It's Almost Tax Time. Do You receive a pension from another country?

Perhaps you worked elsewhere before coming to Canada. Did you know that income has to be declared on your Canadian Tax Return? You may find this link from a *Financial Post* article published last August helpful: <https://business.financialpost.com/personal-finance/taxes/foreign-pension-income-is-generally-still-taxable-as-far-as-the-cra-is-concerned>

Right-Sizing Your Accommodation

As a boomer I have had the opportunity, experience, and pleasure to watch my parents and relatives downsize their housing requirements. The Financial Planning industry suggests that this is one of the most important decisions that we will face in our retirement experience.

Today, I am increasingly watching my friends and colleagues go through the 'right sizing' exercise. I use the term right sizing because in a number of situations folks did not downsize their living space; they actually made decisions to tailor their residential experience to better accommodate their lifestyles, but this did not actually involve down sizing. Their square footage remained the same or increased; however their lives became less complex. Many of today's condos and townhomes are actually larger than the 1200 or less square foot homes that were common in my earlier years. In one incidence, parents moved to a patio home that enabled them to give up the heavy gardening responsibilities of home ownership but provided them with a minimalist rockery to keep attached to their gardening hobby. In another, the choice was a condo with no outside responsibilities and the ability to lock the door easily and become a snow-bird for five months. In both of these situations, folks moved into more square footage than they were leaving.

My parents moved into an independent living senior facility and then into assisted living situations. My wife's mother moved from a patio home to assisted living with the option of extended care being



To Move or Not?

available in the same facility, so that she will ‘only have to move once.’ There are important financial considerations for each one of these different scenarios and no two individuals or couples will face the same implications. Each situation will be unique; however, there are interesting tools to assist us with these complex decisions.

Rob Carrick, who is a Personal Finance Columnist for the *Globe and Mail*, has written a number of interesting articles on this subject and you can very easily Google them:

“Hey Realtors and family members, stop pushing seniors to sell their homes”

“Thinking of downsizing to a condo or rental – think again”

“Downsizing your home in retirement may not always downsize your costs”

The **Globe and Mail** also offers two on-line Worksheets for your consideration:

“Downsizing Your Home”: <https://www.theglobeandmail.com/real-estate/mortgages-and-rates/downsize-your-home-worksheet/article20320032/>

“Does it Pay to Downsize?”: <https://www.theglobeandmail.com/globe-investor/retirement/does-it-pay-to-downsize/article26908427/>

Thought Provoking Information about Prescription Drugs

Pharmacare for all Canadians? I was dismayed that one of the first items that Bill Morneau, the federal Minister of Finance, addressed in his budget update was that the Federal Government did not have the funds to undertake the development of a national Pharmacare program for Canadians and that all the government could do would be to talk to the provinces. On the issue of a national Pharmacare program, you might enjoy reading the article “Debunking the myths about a Canadian Pharmacare program” in *The Conversation*, which calls itself “an independent source of news and views, from the academic and research community, delivered direct to the public”: <http://theconversation.com/debunking-the-myths-about-a-canadian-pharmacare-program-100299> You might find the CBC background article on pharmacare, also written in 2018, of interest too: <https://www.cbc.ca/news/health/pharmacare-faq-1.4554270>



Prescription Drugs Issues Whither go we when a prescription drug is recalled? Last fall, I am sure you all remember the announcement about the recall of the prescription drug Ranitidine, a drug which had been prescribed to control excess stomach acid, particularly in seniors. Health Canada issued a recall because known carcinogens had been found in the drug. Of course, if the story ended there, it would show that the Canadian government was doing due diligence and protecting Canadians. Ironically, the Ranitidine story starts in a small pharmacy in the U.S., Valisure, which began tests on Ranitidine in March 2019: https://www.washingtonpost.com/science/a-tiny-pharmacy-is-identifying-big-problems-with-common-drugs-including-zantac/2019/11/08/6dd009ca-eb76-11e9-9c6d-436a0df4f31d_story.html

CPPR received the following information from the Executive Director, PharmaCare Benefits Branch

In most cases, the cost of drug products that are subject to recalls is reimbursed to pharmacies by the manufacturers of the recalled products.

For patients with a prescription for a recalled drug, retail pharmacists in British Columbia can reverse a prescription in several circumstances (e.g. if a prescriber changes the quantity, or the prescription was dispensed to the wrong patient, or the prescription was otherwise changed or cancelled). In past recalls, PharmaCare has instructed pharmacies to identify patients who had a supply of the affected drugs and request that they replace their existing supply with another product as soon as possible. Usually, the existing prescription is simply reversed by the pharmacy and the patient receives a prescription refill of the new product.

I would note that, in the case of the recall of ranitidine products that occurred in late 2019, Health Canada has advised that patients should not stop taking ranitidine, even if it is a recalled product, unless they have spoken to their health care provider and obtained alternative treatment, as the risk of stopping treatment may be greater than the risk related to N-nitrosodimethylamine exposure.

If you have additional questions or concerns about reimbursement of drugs affected by recall, please contact College of Pharmacists of British Columbia as suggested by Health Canada in their reply to you. College of Pharmacists' contact information is:

Tel: 604 733-2440 or 1 800 663-1940
Fax: 604 733-2493 or 1 800 377-8129
Email: info@bcpharmacists.org

In talking to my GP, the topic of the manufacturing source of Canadian prescription drugs came up. He noted that Canadian oversight was limited and that 80% of the active ingredients in Canadian prescription drugs were manufactured in China. I have been able to verify that claim in an article entitled "Where are my drugs made?" in the blog of the *CMAJ (Canadian Medical Association Journal)*, which also gives you some background on when the sourcing of prescription drugs changed and the issues surrounding such sourcing: <https://cmajblogs.com/where-are-my-drugs-made/>

Al Valteau,

Cattle Car Canada



Last fall, we made a wonderful trip to Nova Scotia to take in the spectacular fall colours and track down some Celtic music. I want to relate an experience that came to mind as a result of this trip.

As we are now all aware, our major airlines - so that we can customize our flying and purchasing experience, and in order to give us what we want, they say!!! - all charge us at least \$25 to have a suitcase accompany us on our vacations. It used to be a given that you would probably want at least a change of clothes over ten days, so at least one suitcase was included in the base fare. However not any longer!

As a result of the airlines what I dub their "cash for them" policy, many folks now travel with multiple carry-ons (suitcase and large 'personal item') and as most flights now seem to fly almost full, this has meant that they have had to institute a policy of offering to take your carry-on off your hands at the gate, and at no charge. At first hand, this sounds pretty good. The counter assistant gives you a baggage tag to your final destination, and you leave your bag at the end of the ramp before you enter the plane. However, it is always good to read the fine print!

For those of us who used to fly into the interior of BC, Air Canada had carts at the door of their aircraft on which you put your carry-on bag, and it was loaded last and then taken off first, so that you picked it up as you left the plane. It worked very well. Now, your bag is tagged to its final destination by the counter clerk and you leave it on the gang way. That is the last time you see it until you (hopefully) greet it on the luggage carousel at your destination.

A friend was traveling to a hockey tournament in the Maritimes. He checked his large equipment bag and was carrying on his small suitcase. He heard the 'full flight' announcement about limited space and free checking, so being an accommodating chap, he assisted by getting a bag tag at the counter and then dropped his carry-on at the door to the plane, where it was to be 'checked through to his final destination' - a commuter hop from Halifax.

Long story short. His door checked bag arrived 'at his final destination' after enjoying a five-day holiday in Scotland! He had done everything right. His essentials were in the carry-on (including clothes, reservation info, documentation for the event and medicine). Somehow his bag missed the connection and didn't end up being with him on the final leg of his journey. He had a very difficult and frustrating five-day hockey tournament.

Good luck on your next airplane adventure and remember not to be too accommodating! Oh yes, did you catch the Westjet Grey Cup ad. with the herd of cattle stampeding through the airport departure terminal? Thus the title of this piece "Cattle Car Canada."

Dennis Anderson

Group travel We have been approached by a travel provider who arranges long stay trips and travel for the BC Retired Teachers, and he is interested in providing members of our association with the opportunity to take advantage of the trips he organizes. At present, he has arranged a long stay trip to the Algarve in Portugal, with a one week optional extension to Rabat, Casablanca and Marrakesh in Morocco. As well, he has offered them a trip to Egypt. The Portugal trip filled almost immediately and there is strong interest in the Egypt trip. He will be attending our next executive meeting to tell us more about what packages he could offer our members. *If you are interested in such opportunities, please do tell us. Email us at collegeinfo@bccollegepensionplanretirees.ca with the heading Group Travel.* We'd like to offer programs that you would be interested in, but we certainly don't want to entertain projects that are not of interest to you.

**Whatever's on your horizon,
we're looking out for you.**



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On Our Notice Board

KNOW an ex-colleague who's about to retire?

REMEMBER, while other retiree organizations may offer similar travel and other insurance options, they cannot speak on our behalf.

Only CPPR SPEAKS FOR RETIRED MEMBERS OF THE BC COLLEGE PENSION PLAN.

Ontario based organizations will gladly take your money so you can be an associate member, but they cannot advocate on your behalf in regard to your pension plan. This is the case with other BC retiree associations as well.

ENCOURAGE your ex-colleagues to **JOIN CPPR** now and strengthen the voices in support of our Pension Plan and our benefits. Membership forms are available on our website.

Is Your Group Missing from this list? Or should we correct any information?

Langara (LCR)
retirees101@langara.ca
Kwantlen
www.kpu.ca/retirees
Douglas
whalleyt@hotmail.com
CNC
loisnelson10@hotmail.com

We will include a link to your group in *Prime Time* and post information on our website in return for a link to CPPR in your group's publications.

Send the appropriate information to
marylgriffin@telus.net or
to al.valleau@shaw.ca .

USEFUL LINKS

You will also find these links on our website.

OAS and CPP
<http://www.servicecanada.gc.ca/eng/home.shtml>
College Pension <http://www.pensionsbc.ca>
BC Forum (Retired Unionists) www.bc_forum.ca
BC Ombudsman <http://www.ombudsman.bc.ca/seniors>
Council of Senior Citizens of BC <http://www.coscobe.ca>
National Pensioners Federation
<http://www.nationalpensionersfederation.ca>
Federation of Post Secondary Educators <http://www.fpse.ca>
Post Secondary Employers' Association
<http://www.psea.bc.ca>
BCGEU <http://www.bcgeu.ca/>
Seniors' Advocate <http://www.seniorsadvocatebc.ca>
Nidus Personal Planning Resource Centre and Registry
<http://www.nidus.ca>
Greenshield
<https://onlineservices.greenshield.ca/pub>
CCPA's Newsletter *The Monitor*
<https://www.policyalternatives.ca/monitor>

Find Your MP at
<http://www.lop.parl.gc.ca/>
and your MLA at
<https://www.leg.bc.ca/learn-about-us/members>

Medoc for less?

If you don't mind having a \$1,000 deductible on your **travel insurance**, you can ask to change your policy to a \$1,000 deductible plan. If you are a couple over 70 who has been rated a "standard" risk for insurance, it will save you just over \$800 per year on your policy, just about negating the deductible if you have to use your insurance on a claim. After the first year, of course, you will save a second \$800 and so on. Contact Johnson if you want to know how this change would affect your premium payments.

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collegeinfo@bccollegepensionplanretirees.ca

1-844-655-6565 or by mail at

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