



Prime Time

Association of British Columbia
College Pension Plan Retirees'
Newsletter



2020
Summer
Edition



President's Message

This issue of *Prime Time* is coming to you perhaps a little later than usual in the summer. In common with every other organization and individual, CPPR has been affected by the Covid-19 pandemic. Given the virtual nature of our organization, however, we have perhaps had to make fewer adjustments than most groups. Thanks to Sheryn and Flora of Downtown Office Services, our administrative support has continued as efficiently and reliably as ever, and your table officers, liaison committee, and executive have navigated Zoom with growing skill. At our spring executive meeting, we welcomed representatives from our two new Affiliate groups: Roy Sinn from Langara Retirees' Association and Carol Barnett from Kwantlen Polytechnic University Retiree Association. Some planned activities have, nevertheless, been sidelined. We did not arrange our annual lunch with Pension Partners or meet with reps from other retiree associations representing retired members of pension plans administered by the Pension Corporation. As we become more adept at meeting on line, we will be reconsidering how to bring such meetings about.

Our CPPR AGM will be held virtually in October. For more details, see page 5. Precise information about how to participate and appropriate documentation will be distributed to you closer to the time.

For us all as individuals, however, I'm sure this period has been and continues to be an extremely trying time, despite the respite of our late arriving summer. I hope the slight relaxation of the rules around social distancing offered by Phase 3 of the province's response to the pandemic has allowed you to see more of your families and friends. Perhaps you've even managed to travel a little within BC. If you are thinking of possibly taking a fall break, you will find Dennis' article on page 6 about the utility of travel insurance even when you're not leaving Canada interesting. You'll see that Al, too, writes about our Medoc Travel insurance among other things financial in his column between pages 3 and 5.

Even as we endure social distancing and the cancellation of our plans for travel to interesting places, we can still take a moment to consider how fortunate we are to be in receipt of our defined benefit pensions. Up to date information about our pension funds is available on the plan website <https://college.pensionsbc.ca>. Paul's article between pages 2 and 3 outlines the security of our pension funds and gives us the latest news from the Board. We are indeed fortunate to be members of the College Pension Plan. I have participated in conference calls with the leaders of other affiliates of the National Pensioners Federation, and I've come away from those calls thankful that our pension is jointly trusted. You may be interested in looking at the website of NPF Affiliate the Canadian Federation of

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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 Valteau al.valteau@shaw.ca.

Pensioners, (<https://www.pensioners.ca>) who represent retired members of defined benefit pension plans in the private sector.

The pandemic has indeed brought home to us all just how fragile some aspects of our social safety net are especially when we consider how older members of society are regarded and treated. Perhaps one good thing that may eventually come from this dreadful virus is a reassessment of societal attitudes to the elderly and the development of systems where those of us who become frail are not merely warehoused but offered solutions that allow us all to live the last part of our lives with dignity and a sense of worth.

Mary L. Griffin

From the Board Table

Pension Trusteeship in “Interesting Times”

At the end of my last column (published in January) I celebrated the stability and long-term success of the College Pension Plan’s investment strategy. However, I also warned, “there are surely enough storm clouds on the horizon to keep trustees gnawing their finger nails.” And I pointed out concerns about low long-term interest rates, political uncertainties, etc. But I certainly never foresaw the global COVID 19 pandemic, nor its effect on the operations of the B.C. public sector pension plans.

The meetings of the College Pension Plan Board and the operations of the B.C. Pension Corporation and the British Columbia Investment Management Corporation were totally transformed as a result of the coronavirus pandemic. Most PenCorp and BCI employees began working from home, with a minimum amount of office activity. Reopening offices—with appropriate social distancing measures in place—is now underway; however, many employees may choose to work from home regularly.

And for the last five months all board business has been conducted by teleconference, e-mail, or zoom meetings. No committee or board meetings have been cancelled, and we hope the quality of discussions and decisions has not suffered. We are planning to conduct at least some trustee business this fall in face-to-face meetings—with appropriate precautions.

Pension Security:

The COVID pandemic has caused economic distress for many people here in Canada and around the world, so it was certainly understandable that some College Pension Plan retirees would worry about the security of their pensions. Understandable, but not necessary.

A reassuring message from the Chair of the Board is posted on the College Pension Plan website. It says, in part, “You can feel secure knowing your pension will be paid now and in the future. Your pension is calculated based on a formula that takes into account your years of service and highest average salary. It is not dependent on the performance of the financial markets.” The full message can be found on the College Pension Plan website at <https://college.pensionsbc.ca/a-message-from-the-chair-of-the-college-pension-board-of-trustees-may-12-2020>.

This reassurance is not public relations fluff. It is based on the plan’s prudent, long-term approach to investments, to regular monitoring and adjustment of asset allocations, to diversification of investments, and to the use of surpluses to cushion economic impacts on the plan. Details about where our pension

assets are invested and how the plan is managed can be found in the 2019 Annual Report on the plan's website.

Extended Health and Dental Insurance:

Because of the COVID lockdown, virtually no claims for dental services and a reduced number of claims for extended health were submitted to Green Shield Canada for three months. Dental offices were closed; doctors' appointments moved on-line. GSC was receiving far more in premiums than they were paying in claims. As a result GSC has reduced premiums for a three month period. Dental premiums will be reduced by 75% and extended health premiums will be cut by 8%. These reduced premiums are showing up on the July, August, and September pension payments.

Improved Inflation Protection:

One set of decisions that were finalized as the COVID pandemic hit reflected the plan's very positive financial position pre-COVID. As a result of the 2018 actuarial valuation of our pension plan and subsequent board decisions, nearly \$200 million of surplus was transferred to the IAA (the Inflation Adjustment Account).

As you know, our plan has been able to provide annual inflation adjustments to our pensions. Once granted, those adjustments became part of our basic pensions. Until now there has been a "cap" on those COLAs (Cost of Living Adjustments). However, since the IAA is now extremely well funded, the board has decided to remove the cap. Future COLA improvements to our pensions will reflect the full annual increase of the Canadian CPI.

Interesting Times Ahead:

As the COVID pandemic and the resulting economic disruption continues, there will undoubtedly be future impacts on operations of the board, of PenCorp, and of BCI. But what those impacts will be is uncertain. And market reactions, political uncertainties, trade quarrels, and other potential dislocations could certainly make the coming months very "interesting" for our trustees. Do check the plan website for updates on plan activities, or drop me a line if you have specific questions.

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

Pandemic thoughts, reverse mortgages, new expensive prescriptions, and travel insurance

This is the strangest summer of my lifetime. I hadn't thought of the Polio epidemic of my youth and how I've known people who have had lasting disabilities because they were unlucky enough to contract Polio, but I certainly have thought of it lately with people commenting upon the after effects of Covid-19. Do be careful, and do pass on your memories of the Polio epidemic to others.

At the same time that the latest disease has tested our metal and our ability to adapt to change, we are still haunted by issues that seniors should be aware of in our everyday environment. I am amazed that reverse mortgages continue to be touted by banks both in Canada and in the U.S. as a means for seniors to "free up money." What they leave out of the ads is the fact that they are wanting to make money both when you pay down the mortgage you had to take out to purchase your residence originally and now when you are older to use the equity you built up in your residence. Consider, if you want, downsizing

to a smaller residence by selling your current property if you really feel the need to free up some of your equity rather than giving the banks a greater share of your hard-earned wealth.

At the same time reverse mortgages come up, the news of new drugs, some with huge prices, is drawn to our attention via recent stories in our local media about parents who are trying to raise three million dollars for a life saving medication for their child. Research into new medications has saved countless lives, but how much corporations in the past capitalized on medical innovations is something to reflect on. Dr. Jonas Salk did not profit from the development of his polio vaccine. *Forbes Magazine* asserts that if he had patented his vaccine, he would have profited somewhere in the neighbourhood of \$7 billion. That is food for thought. Not only is it time to pressure the government of Canada to come up with a universal pharmacare program, but it may also be the time to examine the profit margins of the pharmaceutical industry. The notion of the common good is something that needs consideration in an era when there is a disproportionate distribution of the nation's wealth.

And this leads me to Medoc Travel Insurance and what has happened to your coverage and your premiums during the past five months. Those of you who have Johnson's travel insurance package will recall receiving a notice from Johnson when the pandemic hit noting that in most cases you would no longer be covered by travel insurance after March 23rd. You were urged to cancel your trips and, if you were abroad, to come home before your travel insurance coverage was curtailed. A number of you noticed that Johnson did continue to collect your premiums after cancelling your travel insurance coverage during the pandemic, and you wrote us and queried Johnson about your premiums. We followed up on your inquiries, as did the Retired Teacher Association of BC. As a result, Johnson sent out the following message to all their travel insurance policy holders in June:

1. How many deductions will there be available in the 2020/2021 policy year?

A: The coverage will be for 10 months and therefore there will be 10 deductions. The first deduction will be October 5, 2020 and the last deduction will be July 5, 2021.

2. Will the rates be reduced for the shortened policy year?

A: The underwriter is currently developing the rates for the upcoming policy year and it will reflect the shortened policy period.

3. What happens if the Travel Advisory is still in place for September and October?

A: Unfortunately COVID-19 is unprecedented and we are monitoring the situation very closely. We hope that Travel Advisories are lifted in the fall and we do not have any additional information at this time.

4. My supplemental trip starts in September. When will I be charged and how much?

A: Because Medoc policies are being extended by two months free of charge, the base portion of the trip up to and including October 31st will be free of charge. Any supplementary days will be charged accordingly and will be deducted over 10 deductions (October 5, 2020 to July 5, 2021)

5. Can I take a supplemental trip throughout September and October at additional cost?

A: Assuming that Travel Advisories are lifted, yes, you can purchase a supplemental trip at an additional cost. Please contact us to arrange for coverage

6. When will I receive my Renewal package?

A: We expect renewal packages to be sent between August and September.

The important point to note in this information is that Johnson assumes that people will be able to travel as of October 1st, and they have built their travel insurance policy for the upcoming year around this assumption. Time will tell whether these assumptions will hold true.

In response to the fact that Johnson continued to collect premiums even though it had curtailed travel insurance coverage during the pandemic, Johnson noted that the Medoc Travel Insurance program was based on annual premiums. As well, Johnson noted that the majority of Medoc policy holders tend to travel in the winter months and that the majority of the travel insurance claims they process annually are for that period in time. They noted that this past winter's claims, in fact, were higher than they had been previously.



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

Johnson is proud to be the preferred insurance provider for **ABCCPPR** members. Whether it's for your home, or planning for your next trip, we have insurance coverage for you. **Contact us today for an insurance quote, and to learn more.**

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www.johnson.ca/abccppr

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My doubts about Johnson's assumptions were confirmed as we were getting *Prime Time* ready to circulate. Mary and I just [18 August] received the following announcement from Johnson:

Given the exceptional travel circumstances we have extended the term of the MEDOC Base Plan coverage for a total of 4 months at no additional charge. What this means is that members who currently have Medoc travel insurance with us will continue to have their coverage up to December 31st at no additional cost.

As a result of the coverage extension provided during 2020, the annual MEDOC reissue documentation will now be sent in November for a new policy term of January 1 to August 31, 2021. While we are finalizing our terms for the January 1, 2021 renewal, our plan remains to provide industry leading coverage and we will share information with you about this as things progress.

We continue to monitor the travel insurance situation for you.

Al Valleau,

On Line AGM 2020 Wednesday 21 October 2020.

This will be primarily a business meeting including the presentation of reports, elections, and a revision to our bylaws.

Details of how to join the meeting, Formal Notice, and all supporting documents will be sent to you in late September.

Travel Insurance – Again

With the COVID-19 pandemic upon us it is a rather inauspicious time to promote travel insurance – especially as many folks are now considering whether or not to continue with their premiums. This is, in-part, driven by the fact that most insurance companies (with at least one exception: Emirates Airlines) will no longer cover the expenses should you come in contact with the COVID virus while travelling. The other game changer is the potential 14-day quarantine period on either end of a trip out of the country which makes travel unattractive at the present time.

For those of you who may have attended our Association Pre-Retirement workshops you will remember that we always emphasized the importance of carrying ‘Out of Province’ travel insurance. Many of us use MEDOC through our Association membership – and it is still a premier product.

My most recent experience was being reimbursed for the down payment on a trip to Haida Gwaii that was booked in early March and scheduled for mid-June of this year. My initial claim for reimbursement was denied because there was no Canadian Government advisory warning against travel to Haida Gwaii at that time. Upon appeal, and after submitting a closure notice provided by Parks Canada, my claim for \$1100 was allowed.

It is now over 15 years ago that I retired, and having *Out of Province Medical and Trip Cancellation and Interruption Insurance* has saved my wife and me a considerable chunk of change for a variety of reasons. Our first claim was for a heart murmur that led to the last-minute cancellation of a trip for my wife, and we were reimbursed \$2100 for the fully paid event. A second claim was for my heart attack in Spain, which came in at \$26,000 in hospital and living expenses (our MSP was the first payer and they provided the insurance company with \$1400 of this amount). My second heart issue occurred in Switzerland, and this one came to \$2700 for an ambulance ride, ECG, some blood work, and a 4 hour stay in an emergency ward in the Alps.

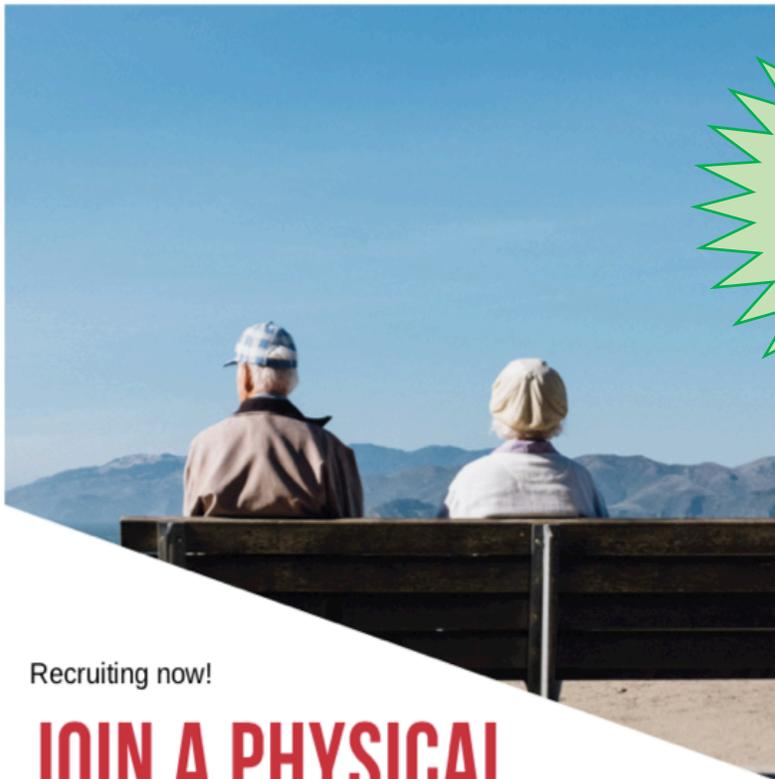
Two years ago, we made a trip into Quebec for an excursion on the supply ferry that runs up and down the Gulf of St Lawrence from Rimouski to Blanc Sablon (across from Newfoundland). There had been heavy winter ice and, because this was an early summer trip, the *Bella Desgagnes* ended up being 2 days behind schedule. When we finally disembarked in Sept-Iles, Quebec, we had missed our return flight to Victoria. The difference in airfare rebooking charges plus three nights’ accommodation and a rental car, had we not had trip interruptions coverage, meant that we would have been out of pocket about \$2500.

All in all, travel insurance has served us well.

What is the saying around insurance? It is one thing in life that we really have to have; but hope we never have to use.

Safe and happy travels (locally now and hopefully further afield in the not too distant future).

Dennis Anderson



Something
to think
about?

Recruiting now!

JOIN A PHYSICAL ACTIVITY STUDY



University
of Victoria

This research study will provide you with tools to
increase your physical activity!

**HAVE YOU RECENTLY RETIRED OR HAD YOUR
LAST CHILD MOVE OUT?**



For more information on how to participate
CONTACT: bml@uvic.ca



The Behavioural Medicine Lab at UVIC asked us if we thought our members might be interested in participating in the above noted research, and we thought that some of us might well find the project informative and useful. You can contact them at bml@uvic.ca if you are interested.

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
KPURA@kpu.ca
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.bcgcu.ca/>

Seniors' Advocate <http://www.seniorsadvocatebc.ca>
Nidus Personal Planning Resource Centre and Registry
<http://www.nidus.ca>

Greenshield
<https://onlineservices.greenshield.ca/publicfooklets/cpp.pdf>
CCPA's Newsletter *The Monitor*
<https://www.policyalternatives.ca/monitor/index.php>

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or by phone at

at

www.BCCollegePensionPlanRetirees.ca
collegeinfo@bccollegepensionplanretirees.ca

1-844-655-6565 or by mail at

The Association of British Columbia College Pension Plan Retirees
#3 - 2424 Main Street
West Kelowna, BC, V4T 1P6

