



Prime Time

Association of British Columbia
College Pension Plan Retirees'
Newsletter



2019
Summer
Edition

President's Message

Last week, I was emailing our Treasurer Al and commented that even though I've been retired for nine years now, I'm still aware of that strange August feeling I used to experience when I was teaching: that feeling that summer is actually almost over and that soon I will be caught up in the busyness that is the fall semester. September is often a bittersweet month, a month of beginnings and of harvest. But it also heralds the coming of winter and struggling with clogged gutters, snow removal, and heating bills. Some of us are fortunate enough to be able to flee winter and head south. Others of us pick up the threads of our volunteer activities as our grandchildren head back to school and university. I hope your summer has been an enjoyable and fruitful time.

The past months since our last newsletter have been busy for me. First, there was the privacy breach. You will have received two letters from the Pension Corporation about that issue together with emails from us at CPPR. As we pointed out at the time, we were very disappointed by this breach, but our sense is that the lost microfiche are slowly disintegrating somewhere in a landfill.

For some time, the Pension Corporation has been considering changing the way it identifies members of CPPR and of the other retiree groups such as the Retired Teachers' Association (RTA) and the Municipal Pension Retirees' Association (MPRA) for the September membership dues collection it makes on those associations' behalf. The privacy breach perhaps confirmed the Corporation in its decision to change. From now on, members of CPPR will be identified by the Personal Identifying number used by the Corporation in all its dealings with members both active and retired. New members will no longer be asked to disclose their Social Insurance Numbers to CPPR for sharing with the Pension Corporation. While this change is an excellent development in terms of members' privacy, liaising with the Pension Corporation to ensure that the change goes smoothly has involved a lot of time, conference calls, and some expense. We had already printed new membership brochures when we were informed of the change. After some negotiation, the Pension Corporation has agreed to reimburse us for the cost of reprinting brochures to reflect the new requirements. As I write this greeting, we are awaiting the new information sharing agreement from the Corporation.

In May, I was a guest at FPSE's AGM in Kelowna. Kathy Conroy in her capacity as a past president of CIEA and Paul Ramsey also a past CIEA president were also invited. In our roles as directors of CPPR, we had hopes of persuading FPSE not to adopt a policy that precludes any meaningful input by CPPR the organization that represents retirees, into FPSE's procedures for appointing the Retired Trustee. We were unsuccessful. The current Retired Trustee's term still has some years to run and the next Retired

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Trustee will be appointed by the BCGEU. The legislation governing our plan mandates how the Retired Trustee is appointed but not the procedures used by FPSE and BCGEU to make the appointment. In the case of the Teachers' Pension Plan, while the BCTF as a partner makes the appointment of the Retired Trustee, the BCTF follows the recommendation of the Retired Teachers' Association. CPPR's aim is to achieve a similar situation with regard to our Pension Plan Board of Trustees, and we will continue to lobby to achieve this goal.

In June, the table officers met with representatives from the Pension Corporation and our Pension Partners for lunch. We spent a fruitful and enjoyable few hours discussing health issues, our optional extended health plans, what retirees need in terms of coverage and so forth. You may recall that we met last year as well, and there is general agreement that these annual lunches provide a useful and meaningful way in which stakeholders in the plan and those who administer it can share information and develop a sense of each other's concerns.

As I write this message, I have just been informed by our webmaster that our website is now hosted on a fully Canadian webhost. The company that originally hosted our site was a Canadian company, but it was sold to an American organization. At our Executive meeting in June we discussed concerns about having our site on servers located in the US and decided to move our site into Canada. Our Webmaster was asked to conduct the appropriate research and then move the site. I must take this opportunity to thank everyone involved in this process for their patience in dealing with these issues, which have involved them in having to do more work for us than usual.

I also want to thank my fellow table officers who have been fielding copious emails this summer as we deal with the changes demanded by the Pension Corporation and to thank our Executive for coming to Vancouver for a June meeting.

As you will see on page 3, our Annual General Meeting is scheduled for 6 November. Our guest speaker/s will be from the British Columbia Investment Management Corporation (BCI), the group that manages our pension funds, and the specific focus of the presentation will be on how our Pension Funds are involved in real estate. You may already know that our pension plan is one of the major investors in the redevelopment of Oakridge in Vancouver. Details on eligibility and application for funding for members outside the lower mainland and southern Vancouver Island and Gulf Islands is also shown on page 3. I do hope to see you there.

All that remains for me to do is to wish you all an enjoyable last few weeks of summer.

Mary L. Griffin

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we're looking out for you.**



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FORMAL NOTICE OF THE AGM

**Association of British Columbia college Pension Plan Retirees
(CPPR)**

Notice of Annual General Meeting

Wednesday 6 November 2019

11:30 am

at

Oak Room—Holiday Inn Vancouver Centre

771 West Broadway, Vancouver

Guest Speakers: **Lynn MacAdam, Senior Manager, Client Relations,
British Columbia Investment Management
Corporation (BCI)**

**Susan L. MacLaurin, Executive Vice President,
Corporate Communications and Jeffrey Munger,
Vice President, Head of US Research, QuadReal**

Topic: **Your Pension Fund Investments: A Focus on Real
Estate**

– an update from British Columbia Investment Management Corporation (BCI) and QuadReal Property Group (QuadReal) on BCI's real estate program and the role it plays in the College Pension Plan. Headquartered in Vancouver, QuadReal is a global real estate investment, operating and development company established to manage BCI's real estate program. Their discussion will include an overview of the real estate program and QuadReal's domestic portfolio of residential investments.

Lunch Provided

All Members of the Association are invited to attend. Bring a retired colleague with you. Memberships will be available at the door and new members will be entitled to vote.

Travel Funding

Members from areas where the senior discount ferry fare or public transit is unavailable (Kamloops, Prince George, the Kootenays, the Okanagan, the North Island, and the North Coast) are invited to apply for up to \$300 travel assistance to attend the meeting. Such assistance will be awarded on a first come first served basis per area.

To apply for funding, please contact al.valleau@shaw.ca.

It would be helpful if we could have an idea of our attendance.

*If you plan to attend, EMAIL norah_andrew@telus.net with the heading **AGM**.*

From the Board Table

In my last column on activities of the College Pension Plan board of trustees, I talked a bit about the tri-annual valuation of our pension plan. Every three years our actuary does a formal valuation and reports on the plan's assets and liabilities. The 2018 valuation has now been completed, and I want to focus on the results and the general health of our plan.

The trustees received the latest actuary's report in May. The results were very positive. As of August 30, 2018, the College Pension Plan's assets equalled 106% of its liabilities. The plan's liabilities are the pensions to be paid now and in the years to come to current and future retirees. The College Pension Plan, like all pension plans, has clear rules about who qualifies for a pension, how much they qualify for, and when they can receive a pension. Add up all the current and future pensions to be paid and you have the plan's "liabilities."

The plan's assets are, of course, all the contributions plan members have made over the years and all the contributions they will make in the future. Assets also include all the investment income generated by those contributions in the past and the future. Current assets of the College Pension Plan are a bit over \$5 billion. Since its assets are greater than its liabilities, the plan can meet its pension obligations and still have money left over! As of last August, the College Pension Plan had surplus assets of \$303 million.

Actuarial valuations have an aura of factual solidity. Actuaries are experts; they've applied their expertise to our pension plan; therefore, the results must be solid as rocks. However, like all predictions of future events, actuarial valuations incorporate assumptions of what the future will be like.

For example, the actuary must make assumptions about what future salary increases will be for plan members. Salary levels impact contributions to the pension plan; they are also an important factor in calculating the pension a member will receive at retirement. For another example, assumptions about mortality impact calculations on how long a pension will be paid. The longer a pension recipient lives, the greater the "liability" is for the pension plan.

Perhaps the most important assumption is what the return on investment of plan assets will be. This is a crucial factor since around 70% of the pensions we receive comes from investment income; only about 30% is from the contributions we and our employers made over the years before retirement. The 2018 valuation assumes a return on investments of 6.25% per year. Actual returns over the last ten years have averaged 7.5%, so this assumption appears relatively conservative.

For trustees, the assumptions our actuary makes are as important as the results of the tri-annual valuations. We want to insure that, as much as possible, our pension plan is sound now and into the future. The 2018 valuation builds on the 2015 valuation which reported a ratio of assets to liabilities of 103%. But nasty things can happen; the financial collapse of 2008/09 affected our plan greatly. Conservative assumptions make healthy valuations more likely!

And trustees now have decisions to make about how to use the \$303 million surplus the 2018 valuation reported. Should contribution rates be reduced? Should money be set aside to stabilize rates into the future? Should inflation protection be improved? What is a prudent mixture of these and other uses of the reported surplus? Those decisions will be made in the fall. One thing I can report with certainty: your trustees have the long-term health of our pension plan as their primary concern.

If you have questions about these or other issues, do ask. If you want more detail about the health of the College Pension Plan, I recommend you take a look at the 2018 Annual Report, which can be found at <https://college.pensionsbc.ca/annual-report>.

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

Things Financial and Thought Provoking

“Extractive Populism and other things you might want to think about”

As members of ABCCPPR, you have online access to issues of *The Monitor*, the bi-monthly magazine of the Canadian Centre for Policy Alternatives (<https://www.policyalternatives.ca/publications/monitor>). Although you may not agree with everything written in this periodical, the articles are certainly worth reading and pondering as they touch on topics we should all be aware of and informed about. In the July/August edition of *The Monitor*, I came across an article entitled “Extractive Populism and the Future of Canada.”

Just the title alone made me curious as I did not know what extractive populism was. The author, Shane Gunster, defines extractive populism as “an inflammatory brand of political rhetoric that has increasingly taken centre stage across the country.” The next article in the issue takes a different view of populism as its title suggests: “Populism as Good Storytelling.” All in all, these articles make for an interesting read, no matter what your political viewpoint. In fact, the article entitled “Protecting our Freedom to Disagree” points to the need for dialogue on public issues, especially when we are leading into an election, a time when we don’t want to be misled by broad misleading comments that are not based on facts and that are construed to persuade us to vote in a particular way without reasoning out what is best for us, our region of the country, or the country as a whole.



As a senior, you should be thinking about questions that affect you and that you should be asking about. For instance, what are the different parties and their candidates saying about Pharmacare? Do they think it is an important issue? Are they going to develop a program of universal pharmacare and, if so, what types of drugs do they see it covering? We know from talking to our trustees and our extended health insurers that there are new expensive drugs coming onto the market right now, drugs that show promise. What are the stances of the different parties on the profit margins of pharmaceutical companies? What are their stances on bulk buying of expensive drugs so that more people will be able to avail themselves of their benefits?

It wasn’t that long ago, during most of our lifetimes in fact, when wonder drugs like penicillin and the production of insulin changed our lives for the better. I can certainly remember the old adage from when I was a child that if you had pneumonia three times, you most certainly wouldn’t survive the third attack. That adage has stuck in my mind as my mother had pneumonia three times and managed to survive it. But not everyone was that lucky.

Just this past weekend, I was mowing our lawn and doing things around the yard that I had been putting off because of the heat. When I got inside I noticed that I had an itchy spot on my left forearm. Without



thinking about it, I scratched the spot and it bled. I put a small band aid on the spot along with some topical cream and didn't think much about it till the evening when I decided to check the band aid. To my surprise, the spot was now quite red and surrounded by a strongly defined red circle. In other words, I had a bull's eye bite mark on my arm. Needless to say, I thought of tick bites and Lyme disease, even though there are not as many ticks on the south coast of BC as there are in the interior. Even though it was the long weekend, I managed to find a walk-in clinic that was open and a doctor who took a look at the bite. She said, "well that certainly does look like it could be a tick bite that needs immediate attention." Twelve hours

and two capsules of Doxycycline later, the bite and telltale red circle is fading but, I have made a follow up appointment with my GP.

This is an example, a simple one, of how our lives have changed because of what resources we have at our disposal and what we have at our disposal is determined by government policies.

Please keep this in mind as we move closer to the fall federal election.

Al Valleau, Treasurer

Did You Know?

"The British Columbia Investment Management Corp. [the organization that manages our pension funds] posted a combined net return of 6.1 per cent for its fiscal year, which ended March 31, 2019.

Adding \$2 billion in value, the organization increased its assets under management to \$153.4 billion and beat its combined market benchmark, which returned 4.5 per cent. Private assets drove the outperformance, with income generation and capital appreciation contributing, according to the BCI's annual report" (*Benefits Canada* August 2019 <https://www.benefitscanada.com/news/bci-posts-6-1-return-for-fiscal-year-driven-by-private-assets-133557>)

Don't Forget we will be paying no MSP premiums next year

- "Although MSP premiums are being eliminated, the MSP program will continue to provide eligible B.C. residents with provincially insured health-care benefits.
- B.C. residents must continue to fulfil their MSP obligations under the Medicare Protection Act and regulations, such as enrolment, proof of identity to obtain a BC Services Card, and updating their account in the case of family and address changes.
- The Medical Services Commission is made up of three representatives from government, three from the Doctors of BC and three members from the public. Its mandate is to facilitate access to quality health care and diagnostic facility services for people in B.C. under the Medical Services Plan." (<https://news.gov.bc.ca/releases/2019HLTH0029-000510>)

The Evolving Backpacker

I am happy and blessed by the fact that my parents instilled in our family a love for the out of doors. For me as a young adult growing up in Southern Alberta and then moving to the interior of BC this meant that I had ample opportunities to spend time in a number of our wonderful National Parks - and in those days one didn't need permits to just head off back packing or canoeing on over-night treks.

For me, this meant exploring various sections of the Great Divide Trail in Jasper, Banff, and Yoho National Parks; canoeing the Bow River from Lake Louise to Calgary; completing the Bowron Lake canoe circuit in the central interior; hiking the West Coast and Juan de Fuca Marine trails on Vancouver Island; and most recently exploring the Coastal Mountains off of Princess Louisa Inlet on the Sunshine Coast. All of these pursuits involved hauling a considerable amount of equipment - tent, stoves, food, sleeping bag and foamie, and of course clothing to handle weather fair and foul.



As I have gracefully aged (I say) I still maintain my passion for outdoor pursuits, however they no longer entail my 40 - 45 lb. back pack! A few years ago, I discovered the joys of Hut Hopping in the European Alps. For those of you who have yet to experience a European mountain hut, the term hut is a misnomer. These 'huts' are more like luxury lodges which often include private accommodations, terrific cuisine, and of course a place to down a celebratory cool or warm refreshing drink after an exhilarating walk. The real clincher is that for many overnight excursions involving these facilities you only have to pack clothing, snacks, and a sleeping sack - your own personal sheet, and this can all very easily be done with a pack that weighs under 20 lbs.

This approach has worked exceptionally well for me on a recent Tour de Mont Blanc (through France, Italy, and Switzerland) and in the Stubai Alps of Austria. More recently my wife and I have discovered the next 'pack lightener approach'. This spring we did the Jesus Trail in Israel - a 65 KM walk from Nazareth to Capernaum. For this trip we used a tour company that pre booked our accommodation, provided us with a detailed trail guide, and moved our luggage for us each day. We only had to hoist a small day pack that contained water, our snacks, and clothing for unexpected weather conditions, and then walk to our next pre-booked lodging to find our luggage. This is definitely a very civilized way to go for folks who are still mobile and interested in 'doable' walking adventures.

Are there any caveats? Yes, in our experience, the guide book for the Jesus Trail we figure was written and walked (timed) by a 21-year-old who had just completed his or her mandatory Israeli military service and physical training. It was very difficult to meet the posted way marker times. The Tour de Mont Blanc, and the Stubai Rucksack Route we felt were timed by 20-year-old Germans who run mountain trails for fun. In both of our Alpine guides, we found that we were adding another 1/2 of the posted time to get an adequate estimate of the length of the hikes in hours. In Israel we did the KM's but it left little time for the 'optional' side trips that were recommended and often sounded interesting.

What have we learned? It is still great to get out-side and be in the great out of doors however we are no longer youngsters. Figure out how far you want to walk in a day and what is potentially on the route and then try to plan your own day. Remember, references to 'allowed time for museums' are done by folks who don't like to read! Guide books are only for 'guiding'. This may result in adding an extra day or two to the outing, however this little adaptation can make or break an experience, and at this stage of our lives, every little thing to make life easier and more enjoyable is worth considering. Happy trekking or whatever you pursue to make life full and meaningful in your retirement!

Dennis Anderson

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.

Does Your Old Institution Have a Retiree Group?

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.

If you have concerns about the Privacy Breach about which we were informed in the spring, you can contact penc.privacy@pensionsbc.ca, and as Paul reminds us in his Trustee Report you can ask for the Corporation to pay for a year's credit monitoring.

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>
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>

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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CONTACT US

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or by phone at

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collegeinfo@bccollegepensionplanretirees.ca

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